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## Annual Report 2022



**CARBINE RESOURCES**  
LIMITED

ABN 81 122 976 818

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## CORPORATE DIRECTORY

<b>Directors</b>	Peter Batten	(Managing Director)
	Evan Cranston	(Non-Executive Director)
	Oonagh Malone	(Non-Executive Director)

<b>Company Secretary</b>	Oonagh Malone
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<b>Principal &amp; Registered Office</b>	Suite 23, 513 Hay Street	
	Subiaco WA 6008	
	Telephone:	(08) 6142 0986
	Email:	admin@carbineresources.com.au

<b>Share Registry</b>	Automic Registry Services	
	Level 5, 191 St Georges Terrace	
	Perth WA 6000	
	Telephone:	1300 288 664 (within Australia) +61 2 9698 5414 (outside Australia)
	Email:	hello@automic.com.au

<b>Auditor</b>	Stantons International Audit and Consulting Pty Ltd	
	Level 2, 40 Kings Park Road	
	West Perth WA 6005	

<b>ASX Code</b>	CRB
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## REVIEW OF OPERATIONS – MUCHEA WEST SILICA SAND PROJECT

The Muchea West Project, acquired by Carbine in July 2021, is located approximately 40km north-northeast of Perth and approximately 500m to the west of Muchea. Covering a land area of 102km<sup>2</sup>, the Project consists of a single granted exploration licence, E70/4905.

There is excellent access with the Tonkin Highway and the Moora-Kwinana Railway providing a direct connection with the Kwinana Bulk Terminal.

The Muchea West Project is located directly adjacent to VRX Silica Ltd's Muchea Project, host to an Indicated Resource of 29Mt at 99.6% SiO<sub>2</sub> and Inferred Resource of 179Mt at 99.6% SiO<sub>2</sub> for a global resource of 208Mt at 99.5% SiO<sub>2</sub><sup>1</sup>, located in the northern portion of the Muchea West dune system.

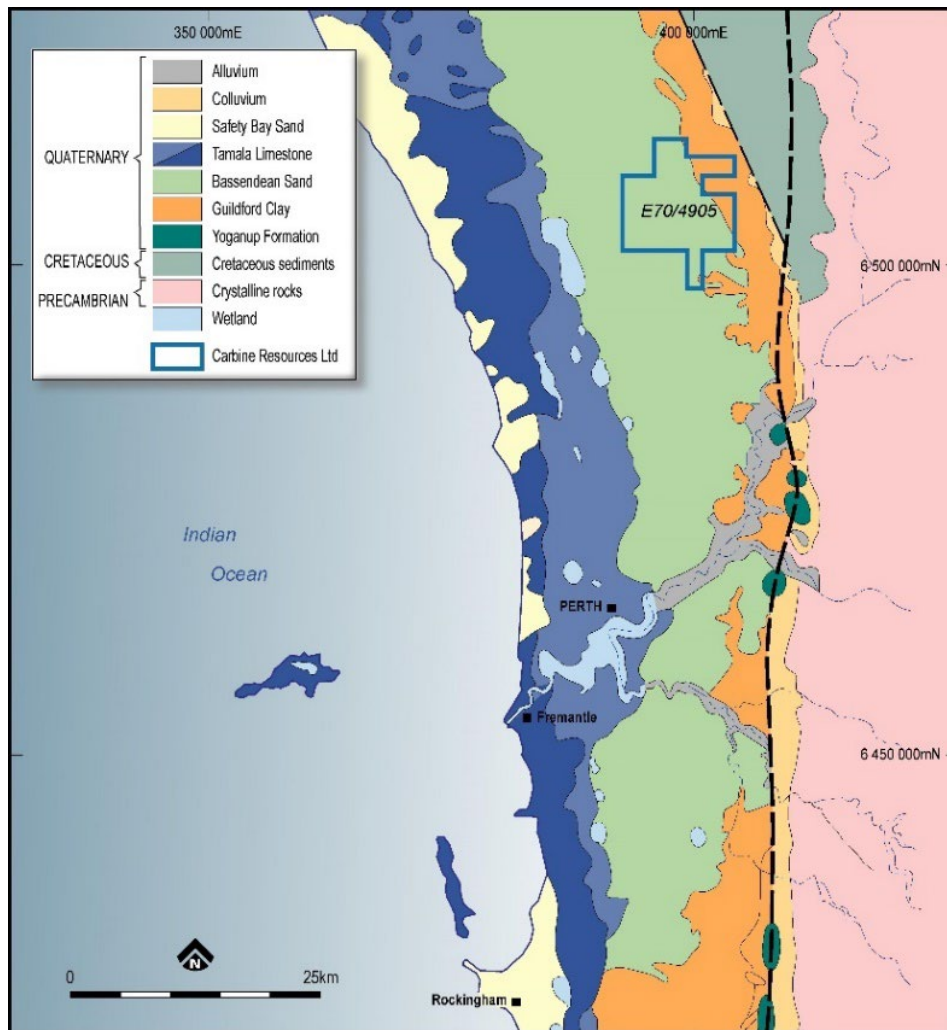


Figure 1: Muchea West Project on geological background – located just 40km north-northeast of Perth

### Exploration Activities

The region surrounding the Project has been explored for both silica sand and mineral sands.

A total of 82 vacuum drill holes were completed by Australian United Silica Corporation Pty Ltd (**Ausco**) in 2019. Previously the area within the tenement has been drilled for water and this drilling resulted in 28 water bores.

<sup>1</sup> VRX Silica Ltd, ASX Release, 17 June 2019 "Muchea Mineral Resource Estimate Upgrade"

In late 2021, Carbine’s first drilling program at Muchea West succeeded in meeting all expectations of:

- ◆ advancing the information available at the time of acquisition;
- ◆ identifying the area best suited for a Mining Licence application; and
- ◆ providing sufficient data to undertake an initial Mineral Resource Estimate in order to commence mining studies.

The drilling program consisted of a total of 233 vacuum drill holes at nominal 50m spacing on five drill lines along existing tracks. Each of the 233 holes intersected white sand profiles as expected in a dune system. The drill depths were designed to terminate 3m above the modelled surface of the 2019 water table. Due to the exceptional wet seasons for 2020 and 2021 and the early drilling date (immediately following the wet season), the water table was significantly higher than the modelled surface and only 30 of the 233 holes reached planned depth and 11 holes were short by more than 10m.

A total of 1,088 samples were assayed by Intertek Genalysis Laboratories with results confirming the grades from the previous drilling and including intercepts such as:

- ◆ MW0077 – 15m at 99.81% SiO<sub>2</sub>, 222 ppm Fe<sub>2</sub>O<sub>3</sub> and 154 ppm Al<sub>2</sub>O<sub>3</sub> from 1m
- ◆ MW0092 – 20m at 99.69% SiO<sub>2</sub>, 450 ppm Fe<sub>2</sub>O<sub>3</sub> and 313 ppm Al<sub>2</sub>O<sub>3</sub> from 1m
- ◆ MW0127 – 17m at 99.70% SiO<sub>2</sub>, 350 ppm Fe<sub>2</sub>O<sub>3</sub> and 260 ppm Al<sub>2</sub>O<sub>3</sub> from 1m
- ◆ MW0142 – 21m at 99.76% SiO<sub>2</sub>, 329 ppm Fe<sub>2</sub>O<sub>3</sub> and 310 ppm Al<sub>2</sub>O<sub>3</sub> from 1m

Of the 233 holes completed, 85% of the drillholes returned profiles in excess of 99.5% SiO<sub>2</sub> and only 3 holes returned profiles with less than 99.0% SiO<sub>2</sub>. All 315 holes drilled on the Project to date display the exceptional high grade and quality of the Muchea sand deposits.

The overall grades returned confirmed the selection of the eastern side of the tenement for first resource drilling with grades in line with expectations of a raw SiO<sub>2</sub> grade in excess of 99.7% and moderate levels of Fe<sub>2</sub>O<sub>3</sub> and Al<sub>2</sub>O<sub>3</sub> as expected from the 2019 drilling results. The average Fe<sub>2</sub>O<sub>3</sub> levels for the 2021 drilling were consistent with the 2019 drilling (0.029% v 0.025%) but the Al<sub>2</sub>O<sub>3</sub> averages were considerably lower (0.077% v 0.028%).

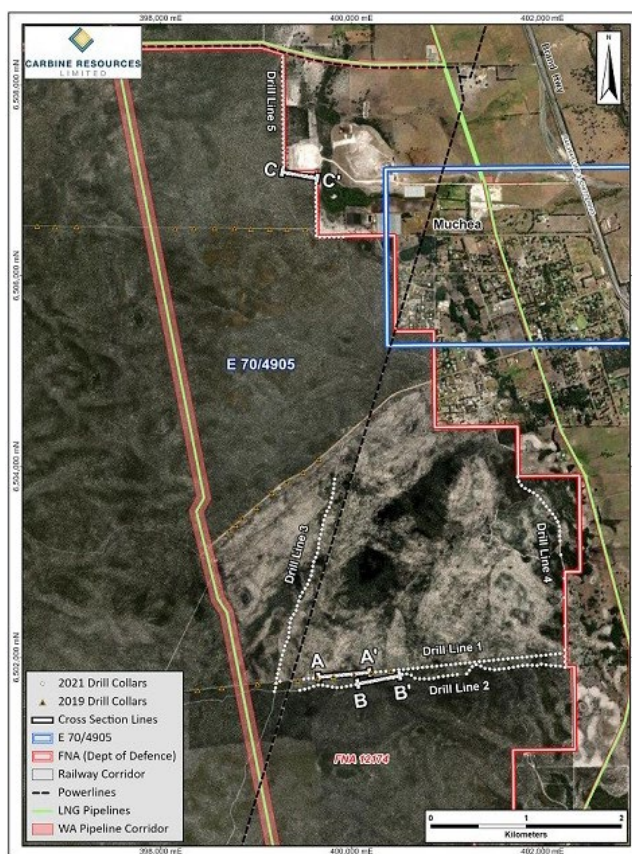


Figure 2: Drill Collar Plan

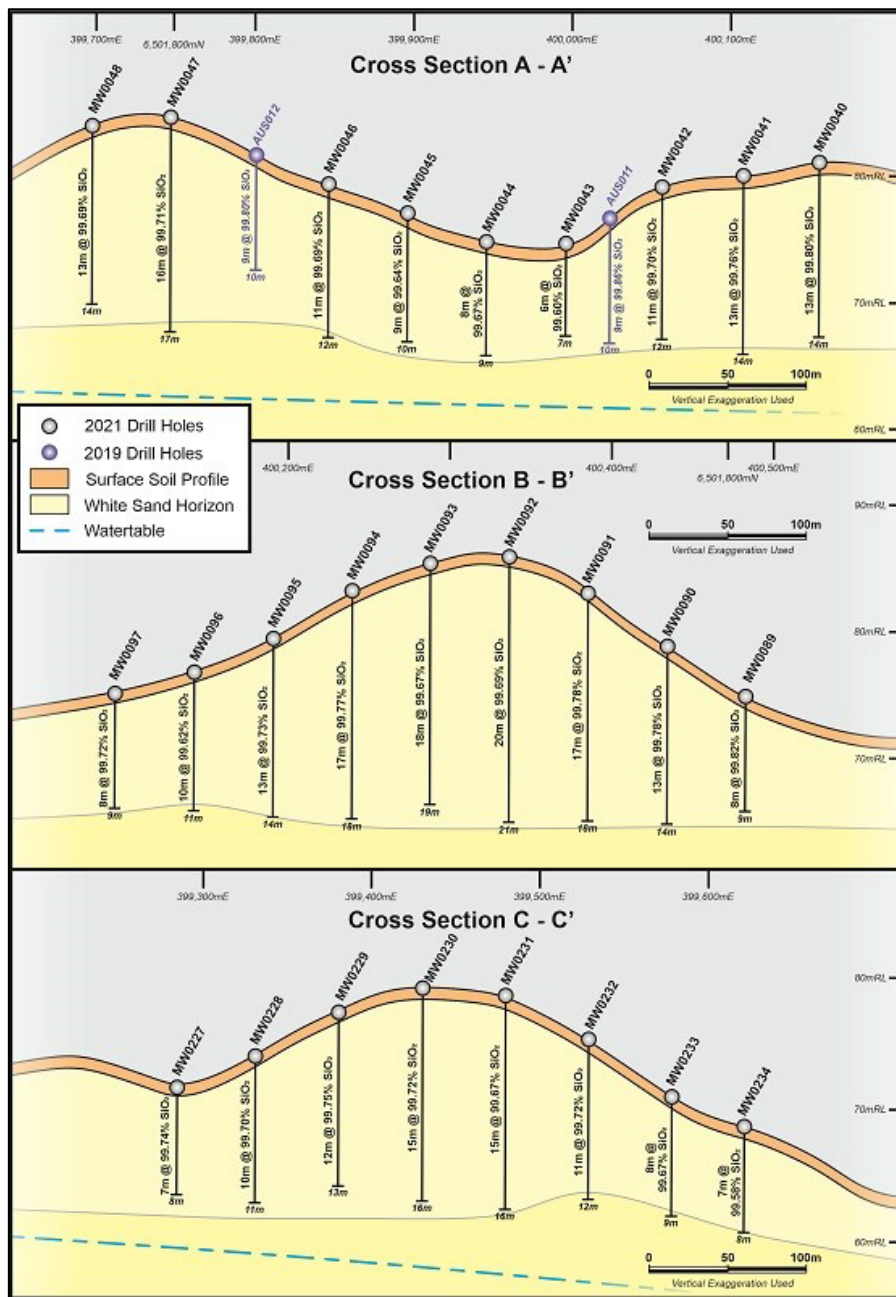


Figure 3: Cross sections (see Figure 2 for locations)

### Maiden Mineral Resource Estimate

In July 2022, the Company was pleased to announce its maiden Mineral Resource Estimation for the Muchea West Silica Sand Project prepared by independent consultants, Widenbar and Associates. The maiden Resource of 93 million tonnes of 99.71% SiO<sub>2</sub> with Fe<sub>2</sub>O<sub>3</sub> at 250ppm, Al<sub>2</sub>O<sub>3</sub> 0.044% confirms the exceptional quality of the Muchea West Silica Sand Project.

The Resource is comprised of 39.89 million tonnes of 99.73% SiO<sub>2</sub> with Fe<sub>2</sub>O<sub>3</sub> at 250ppm, Al<sub>2</sub>O<sub>3</sub> 0.034% in the Indicated category and 53.28 million tonnes of 99.70% SiO<sub>2</sub> with Fe<sub>2</sub>O<sub>3</sub> at 260ppm, Al<sub>2</sub>O<sub>3</sub> 0.052% in the Inferred category.

The Company is also pleased to note that the Resource includes a higher grade resource at the Southeast Area of Interest of 21 million tonnes of 99.73% SiO<sub>2</sub> with Fe<sub>2</sub>O<sub>3</sub> at 250ppm, Al<sub>2</sub>O<sub>3</sub> 0.023% (Indicated: 9.60Mt of 99.74% SiO<sub>2</sub> with Fe<sub>2</sub>O<sub>3</sub> at 260ppm, Al<sub>2</sub>O<sub>3</sub> 0.022%; Inferred 11.22Mt of 99.72% SiO<sub>2</sub> with Fe<sub>2</sub>O<sub>3</sub> at 250ppm, Al<sub>2</sub>O<sub>3</sub> 0.024%).

The Muchea West Silica Sand Mineral Resource has been classified in the Indicated and Inferred categories, in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code) and has been reported at a 99.00 % SiO<sub>2</sub> cutoff. A range of criteria has been considered in determining this classification including geological continuity, data quality, drill hole spacing, modelling technique and estimation properties including search strategy, number of informing data and average distance of data from blocks.

Geological continuity is understood with high confidence. The classification reflects this level of confidence.

**Table 1: Muchea West Silica Sand Project – Mineral Resource Estimate – All Drilling – SiO<sub>2</sub> cutoff of 99.00%**

Material	Category	Volume million m <sup>3</sup>	Tonnes million	Density t/m <sup>3</sup>	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	K <sub>2</sub> O %	TiO <sub>2</sub> %	LOI %
Main Sand	Indicated	25.90	39.89	1.54	99.73	0.034	0.025	0.003	0.052	0.135
Main Sand	Inferred	18.80	28.95	1.54	99.73	0.038	0.025	0.003	0.054	0.131
<b>Main Sand</b>	<b>Total</b>	<b>44.70</b>	<b>68.84</b>	<b>1.54</b>	<b>99.73</b>	<b>0.035</b>	<b>0.025</b>	<b>0.003</b>	<b>0.053</b>	<b>0.134</b>
Lower Sand	Indicated	-	-	1.54	-	-	-	-	-	-
Lower Sand	Inferred	15.80	24.32	1.54	99.66	0.069	0.029	0.006	0.057	0.165
<b>Lower Sand</b>	<b>Total</b>	<b>15.80</b>	<b>24.32</b>	<b>1.54</b>	<b>99.66</b>	<b>0.069</b>	<b>0.029</b>	<b>0.006</b>	<b>0.057</b>	<b>0.165</b>
Main + Lower	Indicated	25.90	39.89	1.54	99.73	0.034	0.025	0.003	0.052	0.135
Main + Lower	Inferred	34.60	53.28	1.54	99.70	0.052	0.026	0.005	0.056	0.147
<b>Main + Lower</b>	<b>Total</b>	<b>60.50</b>	<b>93.17</b>	<b>1.54</b>	<b>99.71</b>	<b>0.044</b>	<b>0.026</b>	<b>0.004</b>	<b>0.054</b>	<b>0.142</b>

### **South East Area Resource**

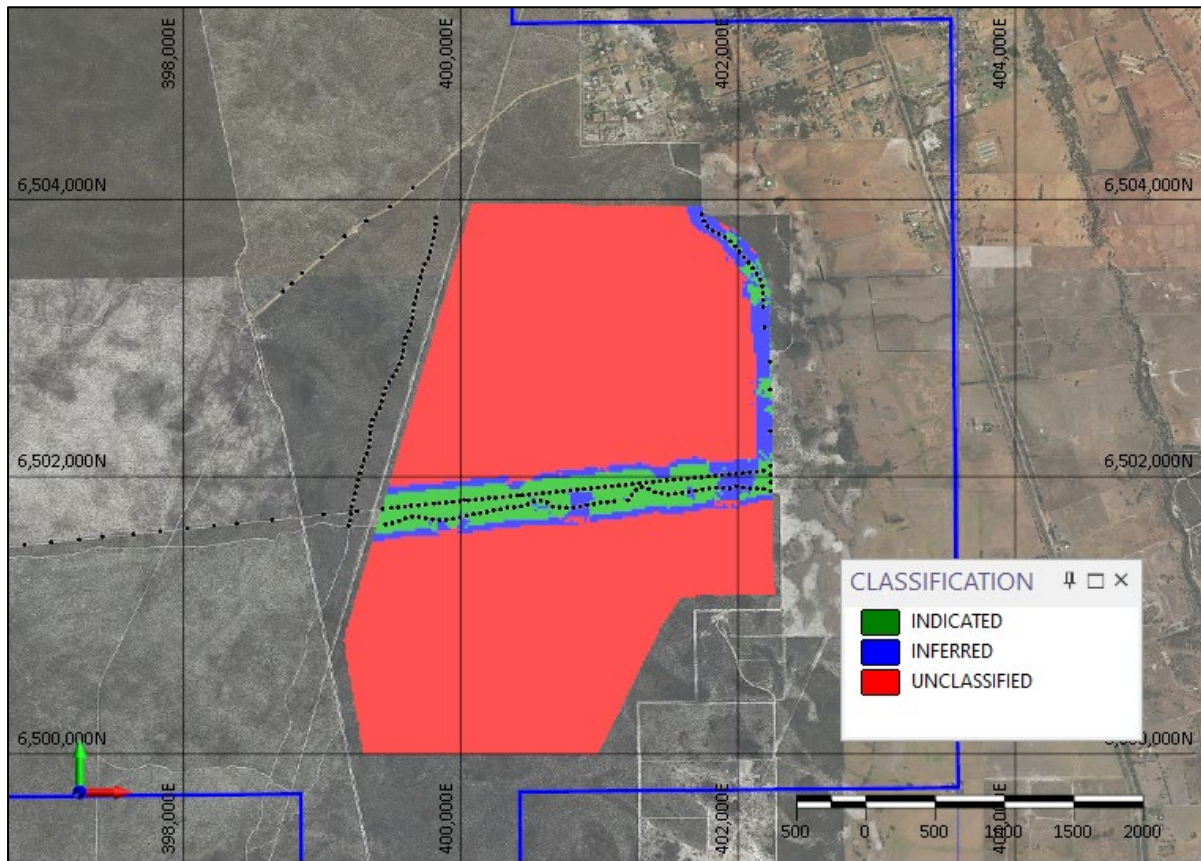
The South East Area of Interest at Muchea West will be a focus for the Company to convert it to the initial mining area, and has a separate high-grade resource reported. The unclassified material in the block model has been extended in this area (see Figure 4) and has been reported as an Exploration Target reflecting the greater confidence related to this material.

Samples from this drilling have been used to compile a bulk sample that is representative of the characteristics of the silica sand in the drilling that produced the Mineral Resource Estimate. The bulk sample is the feed for a series of Scoping Studies that are underway and should result in a proposed flow sheet and final product characteristics.

**Table 2: Main + Lower Sand Indicated and Inferred Resource for South East drilling only - SiO<sub>2</sub> cutoff of 99.00%**

Category	Volume million m <sup>3</sup>	Tonnes million	Density t/m <sup>3</sup>	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	K <sub>2</sub> O %	TiO <sub>2</sub> %	LOI %
Indicated	6.23	9.60	1.54	99.74	0.022	0.026	0.003	0.043	0.148
Inferred	7.29	11.22	1.54	99.72	0.024	0.025	0.003	0.044	0.167
<b>Total</b>	<b>13.52</b>	<b>20.82</b>	<b>1.54</b>	<b>99.73</b>	<b>0.023</b>	<b>0.025</b>	<b>0.003</b>	<b>0.043</b>	<b>0.158</b>

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*Figure 4: South East Area Sand Resource Classification*

### Revised Exploration Target

The Mineral Resource Estimate is defined from within the maiden Exploration Target reported to the ASX on 29 July 2021 and has the effect of removing that area from the Exploration Target and upgrading it to a Resource. Subsequently, the Exploration Target is reduced.

The subsetting of the South East Resource and the South East Exploration Target changes the reporting of the Exploration Target.

In addition to the maiden Resource of 93 Mt at 99.7% SiO<sub>2</sub>, the Exploration Target for the Mucnea West Silica Sand Project is now reported as:

- ◆ Western Area: 400Mt to 500 Mt of Silica Sand at an average grade of 99.6% to 99.8 % SiO<sub>2</sub>
- ◆ Eastern Area: 210Mt to 270 Mt of Silica Sand at an average grade of 99.6% to 99.8 % SiO<sub>2</sub>
- ◆ **South Eastern Area 152 Mt to 168 Mt of Silica Sand at an average grade of 99.6% to 99.8% SiO<sub>2</sub>**

The potential quantity and grade of the Exploration Targets are conceptual in nature. There has been insufficient exploration to estimate further Mineral Resources and it is uncertain if further exploration will result in the estimation of additional Mineral Resources.

### Scoping Study

Originally expected to be completed in Q3 2022, the Scoping Study timeline was postponed due to the delay in the return of assay results from the process testwork.

The Study, targeting a 2Mtpa mining and beneficiation plant with a mine life at 20 years, with a conceptual mining model and costs estimates completed by Orelogy Mine Consulting, and the process design and cost estimates undertaken by Como Engineers.

The Study is near finalisation with final considerations regarding logistical options, including transport and export, being investigated prior to completion.

### **Mining Licence Application**

An initial Mining Licence Application has been submitted to the Department of Mining Industry, Regulations and Safety (**DMIRS**).

MLA70/1422, which was lodged with DMIRS on 19 December 2022, is for silica sand and is located in the southeast portion of the Company's Exploration Licence, E70/4905.

MLA70/1422 encapsulates the South East Area of Interest and includes 44Mt of the Company's JORC Resource, equating to 47% of the current Resource for E70/4905.

Carbine has completed a considerable amount of the environmental studies required to satisfy the conditions of a Mining Permit which shall be lodged as soon as possible and is expected to take a minimum of 2 years to be granted.

### **Competent Persons' Statements**

The exploration results in this announcement were reported by the Company in accordance with listing rule 5.7 on 1 April 2021 and 7 April 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements.

The mineral resource estimate in this announcement was reported by the Company in accordance with listing rule 5.8 on 4 July 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimate in the previous announcement continue to apply and have not materially changed.

The information in this report that relates to technical assessment of the Exploration Target is based on, and fairly represents, information and supporting documentation prepared by Mr Lynn Widenbar BSc(Hons), MSc, DIC, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Widenbar is an employee of Widenbar and Associates Pty Ltd. Mr Widenbar has sufficient experience that is relevant to the technical assessment of the mineral assets under consideration, the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Exploration Target was reported to the ASX on 4 July 2022 and the material assumptions and technical parameters continue to apply.

## Mineral Resource Statement

The following information is provided in accordance with Listing Rule 5.21 and as at 31 December 2022.

### Mineral Resource Estimation Governance Statement

Carbine Resources Limited ensures that the Mineral Resource Estimate is subject to appropriate levels of governance and internal controls. The Mineral Resource Estimate has been generated by independent external consultants and internal employees who are experienced in best practices in modelling and estimation methods. Where applicable, the consultants have also undertaken review of the quality and suitability of the underlying information used to generate the resource estimations. The Mineral Resource Estimate follows standard industry methodology using geological interpretation and assay results from samples won through drilling. Carbine Resources Limited reports its Mineral Resource in accordance with the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the JORC Code) (2012 Edition). Competent Persons named by the Company qualify as Competent Persons as defined in the JORC Code.

### Mineral Resource for Muchea West Silica Sand Project, Western Australia

The tables below sets out the Mineral Resource as at 31 December 2022 (estimated in July 2022) for the Muchea West Silica Sand Project, Western Australia. The Company advises this is the maiden Mineral Resource for the Project and, as such, there is no comparative to 31 December 2021.

**Table 1: Muchea West Silica Sand Project – Mineral Resource Estimate – All Drilling – SiO<sub>2</sub> cutoff of 99.00%**

Material	Category	Volume million m <sup>3</sup>	Tonnes million	Density t/m <sup>3</sup>	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	K <sub>2</sub> O %	TiO <sub>2</sub> %	LOI %
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Lower Sand	Indicated	-	-	1.54	-	-	-	-	-	-
Lower Sand	Inferred	15.80	24.32	1.54	99.66	0.069	0.029	0.006	0.057	0.165
<b>Lower Sand</b>	<b>Total</b>	<b>15.80</b>	<b>24.32</b>	<b>1.54</b>	<b>99.66</b>	<b>0.069</b>	<b>0.029</b>	<b>0.006</b>	<b>0.057</b>	<b>0.165</b>
Main + Lower	Indicated	25.90	39.89	1.54	99.73	0.034	0.025	0.003	0.052	0.135
Main + Lower	Inferred	34.60	53.28	1.54	99.70	0.052	0.026	0.005	0.056	0.147
<b>Main + Lower</b>	<b>Total</b>	<b>60.50</b>	<b>93.17</b>	<b>1.54</b>	<b>99.71</b>	<b>0.044</b>	<b>0.026</b>	<b>0.004</b>	<b>0.054</b>	<b>0.142</b>

## DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Carbine Resources Limited ("the Company") and the entity it controlled ("the Group") for the year ended 31 December 2022, and the Auditor's report thereon.

### Directors

The Directors of the Company at any time during or since the end of the year are:

**Peter Batten** *BSC Geology and MAusIMM*

**Managing Director**

Mr Batten is a geologist with 39 years of experience in the resources industry as a geologist, mine manager and consultant and has worked on nickel, gold, graphite, uranium and iron or related projects. Mr Batten has worked in Bougainville, Australia, Argentina, Guinea, Indonesia, Namibia, New Zealand, South Africa, Sweden, USA and Zimbabwe. Mr Batten was previously a director for MCB Resources Limited, Managing Director of Bannerman Resources Limited and the Managing Director of White Canyon Uranium Limited.

Mr Batten was appointed as Managing Director on 15 July 2021 and, due his executive role, is not considered by the Board to be an independent director.

Current listed company directorships:	Tambourah Metals Limited – Non-Executive Director
Prior ASX-listed directorships in last 3 years:	MCB Resources Limited (to August 2019)

**Evan Cranston** *B Comm, LLB*

**Non-Executive Director**

Evan Cranston is an experienced mining executive with a background in corporate and mining law. He is the principal of corporate advisory and administration firm, Konkera Corporate, and has extensive experience in the areas of equity capital markets, corporate finance, structuring, asset acquisition, corporate governance and external stakeholder relations.

Mr Cranston was appointed to the Board on 23 March 2010 as Non-Executive Director. Although Mr Cranston is principal of Konkera Corporate, a firm which provides accounting and administrative services to the Company, Mr Cranston is considered by the Board to be an independent director due to the arms' length nature of the services provided.

Current ASX-listed directorships:	African Gold Limited – Non-Executive Chairman Firebird Metals Limited – Non-Executive Chairman Benz Mining Corp – Executive Chairman
Prior ASX-listed directorships in last 3 years:	Boss Energy Limited (to June 2020) New Century Resources Limited (to July 2020) Vital Metals Limited (to February 2023)

**Oonagh Malone**

**Company Secretary**

**(appointed as Non-Executive Director 2 October 2022)**

Oonagh Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over a decade of experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia and the Australian Institute of Company Directors. Ms Malone currently acts as Company Secretary for ASX-listed companies African Gold Limited, Aston Minerals Limited, Benz Mining Corp, Caprice Resources Limited, RareX Limited and Riversgold Limited.

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Ms Malone was appointed as Company Secretary in September 2014 and as Non-Executive Director on 23 March 2018. Ms Malone resigned as a director on 15 July 2021 and was reappointed on 2 October 2022. Ms Malone is considered to be an independent director.

Current ASX-listed directorships: Peak Minerals Limited

Prior ASX-listed directorships in last 3 years: Arizona Lithium Limited (to March 2020)

**Peter Main B Bus. Non-Executive Chairman (resigned 2 October 2022)**

Mr Main is a mining and finance professional with experience spanning more than 30 years. During that time, Mr Main has gained working knowledge in financial markets around the mining sector and industry experience. During his career Mr Main has spent 13 years in the mining industry from operations through to CEO of a TSX-V listed mining company, obtaining experience across facets of the industry. He spent 20 years in finance, more recently in an advisory capacity to the mining and finance industries. Prior to that, Mr Main worked for investment banks. He has managed the Royal Bank of Canada's Australian equity sales and trading business for 11 years and also RBC's regional business. Mr Main also spent six years at Hartley Poynton as a mining analyst and almost nine years full time service in the Australian Army.

Mr Main was appointed as Non-Executive Chairman on 15 July 2021 and resigned effective 2 October 2022. He was considered by the Board to be an independent director.

Current listed company directorships: Paladin Energy Limited

Prior ASX-listed directorships in last 3 years: Nil

**Directors' Meetings**

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year under review are:

	Board Meetings Eligible to Attend as a Director	Board Meetings Attended
Mr Peter Main	4	4
Mr Peter Batten	5	5
Mr Evan Cranston	5	5
Ms Oonagh Malone	1	1

There were no separate Remuneration Committee Meetings held during the year. There have been other matters of Board business which have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings held to control, implement and monitor the Company's activities throughout the year.

**Directors' Interests**

The relevant interest of each Director who held office during or since the end of the financial year in the share capital and options of the Company shown in the Register of Directors' Shareholdings as at the date of this report is as follows.

DIRECTOR	ORDINARY SHARES FULLY PAID		PERFORMANCE RIGHTS	
	Direct	Indirect	Direct	Indirect
Mr Peter Batten*	-	1,000,000	5,000,000	-
Mr Evan Cranston**	-	4,164,250	-	-
Ms Oonagh Malone	333,334	-	-	-

\* Shares held by Mr Peter Batten are held by Batten Resources Pty Ltd

\*\* Shares held by Mr Evan Cranston are held by Konkera Pty Ltd

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### **Principal Activities**

The principal activities of the Company during the year were the exploration and evaluation of the Muchea West Silica Sands Project in Western Australia.

### **Results**

The loss for the financial year after income tax was \$1,488,095 (31 December 2021 Loss: \$1,774,865).

### **Dividends Paid or Recommended**

No dividends have been paid or declared and the Directors at present do not recommend a dividend.

### **Financial Position**

The net assets of the Company as at 31 December 2022 are \$9,728,223 compared to \$11,216,318 as at 31 December 2021.

### **Review of Operations and Significant Changes in the State of Affairs**

During the year ended 31 December 2022:

- The Group completed due diligence on the Sandbox Silica Sand Project in Far North Queensland, but the Group could not complete conditions precedent within the required time and the counterparty declined an offer to extend the exclusivity agreement.
- The Group focused on the Muchea West Silica Sand Project, with: a drill program completed, a maiden Mineral Resource Estimate announced on 4 July 2022, a scoping study commenced, and Mining License Application MLA70/1422 lodged on 19 December 2022.
- A fauna survey and a spring botanical survey were completed for the south east area of the tenement, the subject of the MLA.
- On 2 October 2022, Mr Main resigned and Ms Malone was appointed a Non-Executive Director.
- On 9 December 2022, Mr Main's 5,000,000 Performance Rights ceased.

### **Options**

No options were granted, exercised, cancelled or lapsed during the year.

### **Matters Subsequent to the End of the Financial Year**

There were no other events subsequent to the end of the financial year ended 31 December 2022 which significantly affected or could significantly affect the operations of the Company in future financial years.

### **Future Developments, Prospects and Business Strategies**

Disclosure of further information regarding likely developments in the operations of the Company in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice of those operations, or the state of affairs of the Group in future financial periods.

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### Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for Directors and other key management personnel of Carbine Resources Limited during the financial year. These remuneration disclosures have been audited. The Group had no key management personnel other than the Directors and Company Secretary of the Company.

Details of Key Management Personnel at the end of the financial year:

- Mr Peter Main – Non-Executive Chairman
- Mr Peter Batten – Managing Director
- Mr Evan Cranston – Non-Executive Director
- Ms Oonagh Malone – Non-Executive Director and Company Secretary

### Compensation of Key Management Personnel

Due to the size of the Group, the Remuneration Committee is currently comprised of all of the Directors of the Board. The Committee assesses the appropriateness of the nature and amount of emoluments of such key management personnel on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of appropriately qualified personnel. Presently there are no formalised arrangements which give rise to the payment of additional remuneration to non-executive directors contingent on Company performance.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The Company has not increased its total aggregate non-executive director remuneration from that disclosed in its prospectus in February 2007 of \$200,000. Given the size of the Group and its operations there is no relationship between remuneration and Group performance and shareholder wealth. Non-executive directors' remuneration is determined according to market practice for junior listed companies based on information obtained from industry analysts. Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. No additional fees are payable for chairing or participating in sub-committees of the Board. Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee. Executive directors' fees and payments, other than long term incentives subject to shareholder approval as detailed below, are documented in service agreements that are approved by the members of the Remuneration Committee before execution.

#### *Long term incentives ('LTI')*

LTI are granted to reward directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. 5,000,000 Performance Rights, as described below and valued in note 17© were issued to each of incoming directors Peter Main and Peter Batten in accordance with their service agreements and as approved by shareholders on 20 May 2021. The 5,000,000 Performance Rights issued to Mr Main ceased in December 2022 after his resignation in October 2022. The Board considered these Performance Rights an appropriate form of incentive because the issue of the Performance Rights sought to align directors' efforts with seeking share price growth and creation of shareholder value, while preserving cash and continuing to attract and maintain highly experienced and qualified Board members in a competitive market.

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**Share options**

Options over shares have been granted to the Directors and certain employees at the discretion of the Board in prior years. No options were issued to Directors or employees in 2022 or 2021. No individual has a contractual right to participate or to receive any guaranteed benefits. The issue of options has not been linked to performance conditions.

**Additional information for consideration of shareholder wealth**

This table summarises the earnings of the Group and other factors that are considered to affect shareholder wealth for the 5 years to 31 December 2022.

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Loss after income tax attributable to shareholders (\$)	(1,488,095)	(1,774,865)	(156,814)	(804,771)	(520,502)
Share price at year end (\$)	0.013	0.029	0.042	0.042	0.024
Total dividends declared (cents per share)	-	-	-	-	-
Returns of capital (cents per share)	-	-	-	-	-
Basic loss per share (cents)	(0.31)	(0.56)	(0.087)	(0.45)	(0.29)

Basic losses per share for 2018 to 2020 have been revised from previous years following the 9:10 share capital consolidation that occurred during 2021.

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**Details of Remuneration for the year ended 31 December 2022**

	Short-Term Benefits		Post Employment Benefits	Share-Based Payment	Total (\$)	Remuneration consisting of Share-Based Payment (%)
	Cash Salary and Fees (\$)	Non-monetary benefits (\$)	Superannuation (\$)	(\$)		
<b>Non-Executive Directors</b>						
P. Main	50,000	4,465	-	-	54,465	-
E. Cranston	63,375	5,926	-	-	69,301	-
O. Malone	2,935	-	-	-	2,935	-
<b>Sub-total</b>	<b>116,310</b>	<b>10,391</b>	<b>-</b>	<b>-</b>	<b>126,701</b>	<b>-</b>
<b>Executive Directors</b>						
P. Batten	237,928	5,926	22,600	-	266,454	-
<b>Other Key Management Personnel</b>						
O. Malone	48,000	5,926	-	-	53,926	-
<b>Total</b>	<b>402,238</b>	<b>22,243</b>	<b>22,600</b>	<b>-</b>	<b>447,081</b>	<b>-</b>

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**Details of Remuneration for the year ended 31 December 2021**

	Short-Term Benefits		Post Employment Benefits	Share-Based Payment	Total (\$)	Remuneration consisting of Share-Based Payment (%)
	Cash Salary and Fees (\$)	Non-monetary benefits (\$)	Superannuation (\$)	(\$)		
<b>Non-Executive Directors</b>						
P. Main	27,500	2,045	-	114,000	143,545	79%
E. Cranston	54,750	4,366	-	-	59,116	-
O. Malone*	-	-	-	-	-	-
M. O'Hara	21,000	2,333	-	-	23,333	-
<b>Sub-total</b>	<b>103,250</b>	<b>8,744</b>	<b>-</b>	<b>114,000</b>	<b>225,994</b>	<b>50%</b>
<b>Executive Directors</b>						
P. Batten	100,396	2,045	9,256	114,000	225,697	51%
<b>Other Key Management Personnel</b>						
O. Malone *	36,000	4,366	-	-	40,366	-
<b>Total</b>	<b>239,646</b>	<b>15,155</b>	<b>9,256</b>	<b>228,000</b>	<b>492,057</b>	<b>46%</b>

\* Company secretary for full year. No remuneration paid for directorship.

### **Service Agreements**

In 2021, the Company entered into a services agreement with Peter Batten pursuant to which the Company agreed to pay Mr Batten a base salary of \$200,000 per annum (plus superannuation) for services provided to the Company as Managing Director and issue Mr Batten (or his nominees) 5,000,000 Performance Rights on the terms and conditions set out below. This services agreement commenced from completion of the Muchea West Silica Sands Project acquisition on 15 July 2021 and is for an indefinite term. The Company or Mr Batten may terminate the services agreement at any time by giving the other party not less than three months' written notice. On 15 September 2022 the board agreed to increase his base salary before superannuation to \$240,000 per annum, backdated to 1 July 2022.

In 2021, the Company entered into a services agreement with Peter Main pursuant to which the Company agreed to pay Mr Main \$60,000 per annum for services provided to the Company as Non-Executive Chairman and issue Mr Main (or his nominees) 5,000,000 Performance Rights on the terms and conditions set out below. This services agreement commenced from completion of the Muchea West Silica Sands Project acquisition on 15 July 2021 for an indefinite term until Mr Main's resignation or termination. Following Mr Main's resignation effective 2 October 2022, all of his Performance Rights ceased on 9 December 2022.

On appointment to the Board, all Non-Executive Directors enter into a letter agreement with the Company which summarises the Board policies and terms which mirror those set out within the Corporations Act 2001, including compensation, relevant to the office of Director. Following Ms Malone's appointment as a Non-Executive Directors effective 2 October 2022, while continuing to act as Company Secretary, she was paid an additional \$1,000 per month of Director fees to increase her total fees to the rate paid to Non-Executive Directors. No other remuneration arrangements for Directors were in place during the year ended 31 December 2022.

### **Share Based Payment Compensation**

No options over ordinary shares in the Company were granted to any of the Key Management Personnel of the Company during the year and no options were exercised.

On 14 July 2021, 5,000,000 Director Performance Rights were issued to each of directors Peter Main and Peter Batten, for a total of 10,000,000 Performance Rights issued with the following tranches and vesting conditions.

The Performance Rights were to vest in five equal tranches, subject to meeting the applicable vesting condition relating to the volume weighted average price (VWAP) of fully paid ordinary shares in the Company.

<b>Tranche No.</b>	<b>Performance Rights</b>	<b>Vesting condition</b>
1	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.06
2	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.09
3	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.15
4	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.25
5	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.35

The Director Performance Rights were valued as disclosed in note 17(c). The total value of the Director Performance Rights of \$228,000 was expensed in 2021 in accordance with accounting standards. No accounting adjustment was made in 2022 following the cessation of Mr Main's Performance Rights, because these Performance Rights only had market-based vesting conditions.

**Option holdings of Key Management Personnel**

<b>2022</b>	<b>Balance at</b>	<b>Granted as</b>	<b>Options Exercised</b>	<b>Other Changes</b>	<b>Balance at 31 Dec</b>	<b>Total Vested</b>	<b>Total Exercisable</b>
<b>Key Management Personnel</b>	<b>1 Jan 22 or appointment</b>	<b>Remuneration</b>			<b>22 or resignation</b>	<b>31 Dec 22</b>	<b>31 Dec 22</b>
Peter Main	-	-	-	-	-	-	-
Peter Batten	-	-	-	-	-	-	-
Evan Cranston	-	-	-	-	-	-	-
Oonagh Malone	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

<b>2021</b>	<b>Balance at</b>	<b>Granted as</b>	<b>Options Exercised</b>	<b>Other Changes</b>	<b>Balance at 31 Dec</b>	<b>Total Vested</b>	<b>Total Exercisable</b>
<b>Key Management Personnel</b>	<b>1 Jan 21 or appointment</b>	<b>Remuneration</b>			<b>21 or resignation</b>	<b>31 Dec 21</b>	<b>31 Dec 21</b>
Peter Main	-	-	-	-	-	-	-
Peter Batten	-	-	-	-	-	-	-
Evan Cranston	-	-	-	-	-	-	-
Oonagh Malone	-	-	-	-	-	-	-
Mathew O'Hara	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

No options were held by Key Management Personnel at 31 December 2022 or 31 December 2021.

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**Performance rights holdings of Key Management Personnel**

<b>2022</b>	<b>Balance at</b>	<b>Received as</b>	<b>Performance rights</b>	<b>Performance rights</b>	<b>Balance at 31 Dec 22 or</b>
<b>Key Management Personnel</b>	<b>1 Jan 22 or appointment</b>	<b>Remuneration</b>	<b>converted</b>	<b>lapsed</b>	<b>resignation</b>
Peter Main	5,000,000	-	-	5,000,000*	-
Peter Batten	5,000,000	-	-	-	5,000,000
Evan Cranston	-	-	-	-	-
Oonagh Malone	-	-	-	-	-
	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>5,000,000</b>

\* The 5,000,000 Performance rights held by Mr Main ceased in December 2022 after his resignation in October 2022.

<b>2021</b>	<b>Balance at</b>	<b>Received as</b>	<b>Performance rights</b>	<b>Performance rights</b>	<b>Balance at 31 Dec 21 or</b>
<b>Key Management Personnel</b>	<b>1 Jan 21 or appointment</b>	<b>Remuneration</b>	<b>converted</b>	<b>lapsed</b>	<b>resignation</b>
Peter Main	-	5,000,000	-	-	5,000,000
Peter Batten	-	5,000,000	-	-	5,000,000
Evan Cranston	-	-	-	-	-
Oonagh Malone	-	-	-	-	-
Mathew O'Hara	-	-	-	-	-
	<b>-</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>

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**Shareholdings of Key Management Personnel**

<b>2022 Key Management Personnel</b>	<b>Balance at 1 Jan 22 or appointment</b>	<b>Received as Remuneration</b>	<b>Other Changes</b>	<b>Balance at 31 Dec 22 or resignation</b>
Peter Main	1,000,000	-	-	1,000,000
Peter Batten*	1,000,000	-	-	1,000,000
Evan Cranston**	4,164,250	-	-	4,164,250
Oonagh Malone	333,334	-	-	333,334
	<u>6,497,584</u>	<u>-</u>	<u>-</u>	<u>6,497,584</u>

<b>2021 Key Management Personnel</b>	<b>Balance at 1 Jan 21 or appointment</b>	<b>Received as Remuneration</b>	<b>9:10 Share Capital Consolidation</b>	<b>Other Changes</b>	<b>Balance at 31 Dec 21 or resignation</b>
Peter Main	1,000,000	-	-	-	1,000,000
Peter Batten*	1,000,000	-	-	-	1,000,000
Evan Cranston**	182,500	-	(18,250)	4,000,000	4,164,250
Oonagh Malone	-	-	-	333,334	333,334
Mathew O'Hara***	-	-	-	666,667	666,667
	<u>2,182,500</u>	<u>-</u>	<u>(18,250)</u>	<u>5,000,001</u>	<u>7,164,251</u>

\* Shares held by Batten Resources Pty Ltd

\*\* Shares held by Konkera Pty Ltd

\*\*\* Shares held by O'Hara Investment Trust

**End of the Remuneration Report (Audited)**

**Environmental Regulations**

In the course of its normal mining and exploration activities the Group adheres to environmental regulations imposed upon it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Company has complied with all material environmental requirements up to the date of this report.

**Insurance of Directors and Officers**

During the year, the Group has paid an insurance premium in respect of a contract indemnifying the Company's Directors and officers. The total amount recognised in expenditure was \$22,243 (2021: \$15,155).

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

**Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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The Company was not a party to any such proceedings during the year.

**Other Information**

The registered office and principal place of business is Suite 23, 513 Hay Street, Subiaco WA 6008.

**Non Assurance Services**

There were no non-assurance services provided by the Company's auditors during the year.

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this full year consolidated financial statements.

Dated at Perth this 30<sup>th</sup> day of March, 2023.

Signed in accordance with a resolution of the Directors.



**Mr Evan Cranston**  
Non-Executive Director

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	CONSOLIDATED	
		2022	2021
		\$	\$
<b>Revenue from continuing operations</b>	2(a)	26,340	11,670
Exploration & evaluation costs	8	(715,313)	(449,646)
Depreciation	7	(3,107)	(3,941)
Due diligence and acquisition costs	2(b)	-	(802,502)
Share based payment expense	20	-	(703,000)
Employee, director and consultant expenses	2(c)	(426,474)	(252,646)
General and administration expenses	2(d)	(365,797)	(325,304)
Gain on sale of financial assets	9	-	761,490
Loss on disposal of plant and equipment		(3,744)	(10,986)
Loss before income tax		<u>(1,488,095)</u>	<u>(1,774,865)</u>
Income tax	3	-	-
<b>(Loss) after income tax attributable to members of Carbine Resources Limited</b>		<u>(1,488,095)</u>	<u>(1,774,865)</u>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified to profit or loss</i>			
<b>Total comprehensive (loss) attributable to members of Carbine Resources Limited</b>		<u>(1,488,095)</u>	<u>(1,774,865)</u>
<b>(Loss) per share attributable to the ordinary equity holders of the company</b>			
Basic (loss) per share	12	(0.31)	(0.56)
Diluted (loss) per share	12	(0.31)	(0.56)
<b>(Loss) per share from continuing operations attributable to the ordinary equity holders of the company</b>			
Basic (loss) per share	12	(0.31)	(0.56)
Diluted (loss) per share	12	(0.31)	(0.56)

This Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

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**CARBINE RESOURCES LIMITED**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2022

	Notes	CONSOLIDATED	
		2022 \$	2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	2,343,305	3,652,046
Trade and other receivables	5	8,968	69,012
Financial assets	9	-	-
Other current assets	6	13,578	405,206
<b>Total Current Assets</b>		<b>2,365,851</b>	<b>4,126,264</b>
<b>Non-Current Assets</b>			
Plant and equipment	7	4,557	15,090
Exploration and evaluation expenditure	8	7,413,829	7,413,829
Financial assets	9	50,000	50,000
<b>Total Non-Current Assets</b>		<b>7,468,386</b>	<b>7,478,919</b>
<b>Total Assets</b>		<b>9,834,237</b>	<b>11,605,183</b>
<b>Current Liabilities</b>			
Trade and other payables	10	80,254	381,033
Provisions		25,760	7,832
<b>Total Current Liabilities</b>		<b>106,014</b>	<b>388,865</b>
<b>Total Liabilities</b>		<b>106,014</b>	<b>388,865</b>
<b>Net Assets</b>		<b>9,728,223</b>	<b>11,216,318</b>
<b>Equity</b>			
Issued Capital	11	39,922,037	39,922,037
Reserves	20	4,601,558	4,601,558
Accumulated losses		(34,795,372)	(33,307,277)
<b>Total Equity</b>		<b>9,728,223</b>	<b>11,216,318</b>

This Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	GROUP			Total Equity \$
	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	
<b>Balance at 1 January 2022</b>	<b>39,922,037</b>	<b>(33,307,277)</b>	<b>4,601,558</b>	<b>11,216,318</b>
Loss for the year from continuing operations	-	(1,488,095)	-	(1,488,095)
<b>Total comprehensive income/ (loss) for the year</b>	<b>-</b>	<b>(1,488,095)</b>	<b>-</b>	<b>(1,488,095)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Capital raising	-	-	-	-
Capital raising costs	-	-	-	-
Share based payments	-	-	-	-
	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>39,922,037</b>	<b>(34,795,372)</b>	<b>4,601,558</b>	<b>9,728,223</b>

	GROUP			Total Equity \$
	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	
<b>Balance at 1 January 2021</b>	<b>31,121,482</b>	<b>(31,532,412)</b>	<b>2,948,558</b>	<b>2,537,628</b>
Loss for the year from continuing operations	-	(1,774,865)	-	(1,774,865)
<b>Total comprehensive income/ (loss) for the year</b>	<b>-</b>	<b>(1,774,865)</b>	<b>-</b>	<b>(1,774,865)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Capital raising	3,000,000	-	-	<b>3,000,000</b>
Capital raising costs	(199,445)	-	-	<b>(199,445)</b>
Share based payments - expensed	-	-	703,000	<b>703,000</b>
Share based payments - acquisition of mineral exploration interests	6,000,000	-	950,000	<b>6,950,000</b>
	8,800,555	-	1,653,000	<b>10,453,555</b>
<b>Balance at 31 December 2021</b>	<b>39,922,037</b>	<b>(33,307,277)</b>	<b>4,601,558</b>	<b>11,216,318</b>

This Statement of Consolidated Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2022

		CONSOLIDATED	
	Note	2022	2021
		\$	\$
<b>Cash Flows From Operating Activities</b>			
Payments to suppliers and employees		(724,525)	(1,095,736)
Payments for exploration expenditure		(311,191)	(820,665)
Interest received		27,489	8,450
<b>Net cash (outflow) from operating activities</b>	18	<b>(1,008,227)</b>	<b>(1,907,951)</b>
<b>Cash Flows From Investing Activities</b>			
Payment for acquisition of tenements	8	-	(500,000)
Proceeds from sale of investments	9	-	1,641,490
Payment for plant and equipment	7	-	(3,043)
Proceeds from sale of plant and equipment		3,682	-
Stamp duty on Muchea West Project acquisition		(302,915)	-
Cash acquired on acquisition of subsidiary	8	-	28,965
<b>Net cash (outflow)/ inflow from investing activities</b>		<b>(299,233)</b>	<b>1,167,412</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from issue of shares		-	3,000,000
Capital raising costs		(1,281)	(198,164)
<b>Net cash (outflow)/ inflow from financing activities</b>		<b>(1,281)</b>	<b>2,801,836</b>
<b>Net (decrease)/ increase in cash and cash equivalents held</b>		<b>(1,308,741)</b>	<b>2,061,297</b>
Cash and cash equivalents at the beginning of the year		3,652,046	1,590,749
Differences in foreign exchange		-	-
<b>Cash and cash equivalents at the end of the year</b>	4	<b>2,343,305</b>	<b>3,652,046</b>

This Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the consolidated financial statements.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of Preparation**

These financial statements are general-purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, Australian Accounting Interpretations and other mandatory professional reporting requirements.

Carbine Resources Limited (“the Company”) is a listed public company, incorporated and domiciled in Australia. The consolidated financial report of the Company for the financial year ended 31 December 2022 comprises the Company and its subsidiary (together referred to as “the Group”). The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 30 March 2023.

The consolidated financial statements, comprising the financial statements and notes thereto also comply with International Financial Reporting Standards ‘IFRS’. The presentation currency of the Group is Australian dollars. Functional Currency is determined and discussed in the following accounting policy.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period unless otherwise stated. The comparatives have been regrouped or reclassified as required.

**Historical cost convention**

The consolidated financial report has been prepared on an accruals basis and is based on historical costs, with the exception of certain financial assets at fair value.

**(a) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated Statement of Financial Position.

**(b) Income Tax**

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the Consolidated Statement of Financial Position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Consolidated Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions or deductibility imposed by the law.

**(c) Mineral Exploration and Evaluation and Development Expenditure**

The Group, when acquiring exploration and evaluation assets will carry those projects at acquisition value in the Consolidated Statement of Financial Position, less any subsequent impairment.

All exploration and evaluation expenditure within an area of interest will be expensed until the Directors conclude that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and that future economic benefits are probable, further expenditure is capitalised.

No amortisation is charged during the exploration and evaluation phase. Amortisation is charged on commencement of commercial production. Exploration and evaluation assets are tested for impairment annually or when there is an indication of impairment, until commercially viable material resources are established. Upon establishment of commercially viable mineral resources exploration and evaluation assets are tested for impairment when there is an indicator of impairment. Subsequently the assets are stated at cost less impairment provision.

**(d) Property, Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

**Depreciation**

The depreciation amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Furniture & Equipment	20% - 33%
Motor vehicle	20%
Patenting, Licensing, Software	33%

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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Consolidated Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**(e) Impairment of Assets**

At each reporting date, the Group reviews the carrying values of tangible assets and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(f) Employee Benefits**

A provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(g) Financial Instruments**

At present, the Group does not undertake any hedging or deal in derivative instruments other than the shares in Boss Resources Ltd that were sold in 2021 as disclosed in notes 9 and 19.

*Recognition and Derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and Measurement of Financial Assets*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

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For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories: financial assets at amortised cost; financial assets at fair value through profit or loss (FVTPL); debt instruments at fair value through other comprehensive income (FVTOCI); and equity instruments at FVTOCI. All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

*Financial Assets at Amortised Cost*

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and most other receivables fall into this category of financial instruments as well as bonds that were previously classified as held-to-maturity under AASB 139.

*Impairment of Financial Assets*

AASB 9's forward-looking impairment model applies to the Group's investments at amortised cost and debt instruments at FVTOCI. The application of the impairment model depends on whether there has been a significant increase in credit risk.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to estimate expected credit losses based on experience with similar debtors.

**Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

*Valuation techniques*

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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*Fair value hierarchy*

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Company would change the categorisation within the fair value hierarchy only in the following circumstances:

- i. if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- ii. if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (ie transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

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**(h) Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest methods, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance amount (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance amount. Subsequent recoveries of amounts previously written off are credited against other expenses in profit and loss.

**(i) Revenue Recognition**

Revenue from the sale of goods and disposal of other assets is recognised when the Group has satisfied the performance obligation in relevant contracts by transferring the promised asset to a customer with the customer obtaining control of the asset. Interest revenue is recognised using the effective interest method.

**(j) Principles of Consolidation**

Consolidated financial statements incorporate all of the assets, liabilities and results of the parent and of any subsidiaries. Subsidiaries are entities that the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

**(k) Foreign Currency Translation**

*Functional and presentation currency*

The consolidated financial statements are presented in Australian dollars, which is Carbine Resources Limited's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

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*Group companies*

The results and financial position of any controlled entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to Shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

**(I) Earnings Per Share**

*Basic earnings per share*

Basic earnings per share ("EPS") is calculated as net profit or loss attributable to ordinary shareholders of the Company divided by the weighted average number of shares outstanding during the period.

*Diluted earnings per share*

Diluted EPS earnings is calculated by adjusting the basic EPS earnings for the after tax effect of financing costs and the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, rather than including the notional earnings on the funds that would have been received by the entity had the potential ordinary shares been converted.

The diluted EPS weighted average number of shares includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares, rather than the total number of dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average price.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing operations, and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary share.

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**(m) Leases**

Assets and liabilities are recognised for all leases with a term of more than 12 months unless the underlying asset is of low value or the lease is not for any specific identifiable asset.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Lease liabilities are valued at the net present value of the expected stream of committed lease payments. Lease payments are recognised as an interest expense to the extent that they represent interest on the outstanding lease liability. The Company currently has no leased assets or lease liability as the serviced office agreement does not specify or require fixed office locations, with staff offices moved at the discretion of the lessor, and the Company has no other agreements for the lease of identifiable assets.

**(n) Share-Based Payment Transactions**

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The plans in place during the year or prior year to provide these benefits were the Employee Securities Incentive Plan and the Performance Rights Plan, both of which are detailed in note 17.

The cost of these equity-settled transactions with Directors and employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate option pricing model, with any market based vesting conditions reflected in this fair value.

In valuing equity-settled transactions, no account is taken of any performance based vesting conditions. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. No expense is recognised for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled before vesting, other than for failure to meet performance conditions, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

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**(o) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**(p) Contributed Equity**

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(q) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivable or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(r) Business combinations**

A business combination is a transaction or other event whereby an acquirer obtains control of a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. A business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. Such processes are systems, standards, conventions or rules that create outputs from inputs or have the ability to contribute to the creation of outputs. These processes include operational processes or the intellectual capacity of an organised workforce, but not mere administrative systems or historical information.

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The Group may determine that a set of acquired assets, and any associated assumed liabilities, is not a business if substantially all the fair value of the gross assets acquired (net of cash and cash equivalents, deferred tax assets and goodwill from deferred tax liabilities) in a transaction is concentrated in a single identifiable asset or group of single identifiable assets.

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair value of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

**(s) New and amended standards adopted by the company**

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2022 affected any of the amounts recognised in the current period or any prior period.

*AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* amends *AASB 101 Presentation of Financial Statements* from 1 January 2022 to clarify when liabilities with uncertain settlement dates are current. This amendment has no effect on the Group for the current or prior year, but may affect treatment of future liabilities.

*AASB 2020-3: Amendments to Australian Accounting Standards – Annual improvements 2018-2020 and Other Amendments* amends several standards from 1 January 2022, including *AASB 116: Property, Plant and Equipment*. The amendments to *AASB 116: Property, Plant and Equipment* require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related costs in profit or loss, instead of deducting amounts received from the cost of the asset. This amendment has no effect on the Group for the current or prior year, but may affect treatment of sales revenue and related costs while any future mine is developed.

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**New accounting standards for Application in Future Periods**

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. The Group has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

There are no standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Carbine Resources Limited.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

**(t) Critical Accounting Estimates and Judgments**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

*Share based payments*

The cost of any share-based payments to employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options granted is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of any performance rights granted is equal to the share price at the grant date, less any discount required to reflect any market based vesting conditions. Performance rights with performance based vesting conditions are expensed over expected vesting periods based on the board's best estimate of the number of Performance Rights expected to vest. The Group made no share based payments during the year. Refer to note 17 for further details.

*Deferred taxation*

No deferred tax assets or deferred tax liabilities are currently brought to account by the Company because there is insufficient certainty that the Company will derive sufficient future assessable income to enable any income tax benefits to be realised and comply with the conditions for assessable income or allowable deductions imposed by the law.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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*Accounting treatment of acquisition of mineral exploration interests.*

In 2021, the directors chose to capitalise the purchase consideration for the Muchea West Silica Sands Project via the acquisition of all the issued capital in Australian United Silica Corporation Pty Ltd (Ausco) as described in note 8. This is because the Group's accounting policy as disclosed in note 1(c) is to carry acquired exploration and evaluation assets at acquisition value in the Consolidated Statement of Financial Position, less any subsequent impairment. This acquisition value is reasonably the total purchase consideration for Ausco, after subtracting values of other assets acquired, as the acquisition is on an arms' length basis. This acquisition value does not include other costs of acquiring the assets, as such costs are fully expensed in accordance with the Group's accounting policy for exploration and evaluation assets.

The acquisition of the Muchea West Silica Sands Project via the acquisition of all the issued capital in Australian United Silica Corporation Pty Ltd (Ausco) is treated as an asset acquisition, not as a business combination in accordance with the Group's accounting policy as disclosed in note 1(r).

The management assessed the acquisition in accordance with AASB 3 Business Combinations (as amended by AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business) and arrived at the conclusion that the acquisition of Ausco is an asset acquisition based on the following:

- Paragraph B7B of AASB 2018-6 sets out an optional test (the concentration test) to permit a simplified assessment of whether an acquired set of activities and assets is not a business. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed;
- As per Paragraph B7B of AASB 2018-6 "The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets."
- The assets acquired substantially consisted of one granted exploration license E70/4905, supported by the summary of Ausco's balance sheet at the acquisition date as disclosed in note 8.
- The fair value of the gross assets acquired is concentrated in this identifiable asset.
- Therefore, the concentration test is met, the asset is determined to not be a business and no further assessment of this issue is required in relation to AASB 3 Business Combinations.
- Additionally, the acquisition does not exhibit the process criterion for constituting a business required by AASB 3 Business Combinations paragraph B7(b), with no continuing employees, acquired plant, and no defined JORC reserves at the acquisition date.

*Exploration and evaluation*

All other acquisition costs and subsequent exploration and evaluation expenditure for areas of interest of the Company have been fully expensed.

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**2. REVENUE, OTHER INCOME AND EXPENSES**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>(a) Revenue from continuing operations</b>		
Interest revenue	26,340	11,670
Total revenue from continuing operations	<u>26,340</u>	<u>11,670</u>
<b>(b) Due diligence and acquisition expenses</b>		
Cockatoo island due diligence	-	(2,048)
Ausco due diligence and acquisition	-	(497,539)
Stamp duty accrued for Ausco acquisition	-	(302,915)
Total due diligence and acquisition expenses	<u>-</u>	<u>(802,502)</u>
<b>(c) Employee, director and consultant expenses</b>		
Superannuation expenses	(22,600)	(9,256)
Other expenses	(403,874)	(243,390)
Total employee, director and consultant expenses	<u>(426,474)</u>	<u>(252,646)</u>
<b>(d) General and administration expenses</b>		
Serviced office charge	(45,000)	(72,000)
Administration fees	(120,000)	(120,000)
Other expenses	(200,797)	(133,304)
Total general and administrative expenses	<u>(365,797)</u>	<u>(325,304)</u>

**3. INCOME TAX**

The components of income tax benefit/(expense) comprise:

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
Current tax	-	-
Deferred tax	-	-
Income tax benefit/(expense) reported in the Statement of Profit or Loss and Other Comprehensive Income	<u>-</u>	<u>-</u>

The prima facie tax on (loss) before income tax is reconciled to the income tax as follows:

Accounting loss before income tax	(1,488,095)	(1,774,865)
Amount calculated on the domestic rates applicable to profits or losses in the countries concerned at the Company's weighted average effective rate of 25%. (2021: 26%)	(372,024)	(461,465)
Temporary differences	(18,590)	198,418
Tax effect of expenses that are never deductible for tax purposes	1,513	183,342
Unrecognised DTA losses	389,101	79,705
Income tax attributable to the Company	<u>-</u>	<u>-</u>
Tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in note 1(b) occur	<u>7,185,289</u>	<u>7,248,563</u>

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**3. INCOME TAX (continued)**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
Deferred tax assets/(losses)		
- temporary differences	141,267	224,949
- tax losses (operating losses)	4,392,770	4,279,312
- tax losses (capital losses)	2,651,252	2,744,302
	7,185,289	7,248,563

Deferred tax assets have not been recognised as it is not considered probable at this stage that they will be recovered. The statutory income tax rate within Australia is 25% (2021: 26%). The expected tax rate for 2022 of 25% is used based on presuming that the Group will not exceed the aggregate turnover threshold required to use this tax rate, otherwise the general company tax rate of 30% will apply.

This reconciliation is based on Carbine and its subsidiary remaining unconsolidated for tax purposes, with subsidiary Ausco (see note 8) continuing to satisfy the same or similar business test from acquisition, and the Company continuing to satisfy the continuity of ownership test.

**4. CASH AND CASH EQUIVALENTS**

**Reconciliation of Cash**

Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
Cash at bank	2,343,305	3,652,046
	2,343,305	3,652,046

The effective interest rate on short term bank deposits was 2.51% (2021: 0.40%)

The Group's exposure to interest rate risk is discussed at note 19. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and cash equivalents mentioned above.

**5. TRADE AND OTHER RECEIVABLES**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
Net GST refundable	6,817	65,711
Other receivable	2,151	3,301
	8,968	69,012

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the total mentioned above. Further details on the Company's risk management policy can be found at note 19.

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**6. OTHER CURRENT ASSETS**

	CONSOLIDATED	
	2022	2021
	\$	\$
Prepayments of exploration and evaluation costs	-	391,229
Prepayments of other costs	13,578	13,977
	<u>13,578</u>	<u>405,206</u>

**7. PLANT AND EQUIPMENT**

	CONSOLIDATED		Total
	Motor vehicle	Furniture & equipment	
	\$	\$	\$
<b>Year ended 31 December 2022</b>			
Opening net book value	12,653	2,437	15,090
Additions	-	-	-
Depreciation charge for the year	(2,093)	(1,014)	(3,107)
Disposals	(7,426)	-	(7,426)
Closing net book value	<u>3,134</u>	<u>1,423</u>	<u>4,557</u>
<b>At 31 December 2022</b>			
Cost	6,203	3,044	9,247
Accumulated depreciation and impairment	(3,069)	(1,621)	(4,690)
Net book value	<u>3,134</u>	<u>1,423</u>	<u>4,557</u>
<b>Year ended 31 December 2021</b>			
Opening net book value	9,783	10,988	20,771
Acquired on acquisition of subsidiary	6,203	-	6,203
Additions	-	3,043	3,043
Depreciation charge for the year	(3,333)	(608)	(3,941)
Disposals	-	(10,986)	(10,986)
Closing net book value	<u>12,653</u>	<u>2,437</u>	<u>15,090</u>
<b>At 31 December 2021</b>			
Cost	17,988	3,044	21,032
Accumulated depreciation and impairment	(5,335)	(607)	(5,942)
Net book value	<u>12,653</u>	<u>2,437</u>	<u>15,090</u>

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**8. EXPLORATION AND EVALUATION EXPENDITURE**

Exploration expenditure – costs carried forward in respect of areas of interest:

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Carrying amount at beginning of year	7,413,829	-
Acquisition of Muchea West Silica Sand Project	-	7,413,829
Carrying amount at the end of year	<u>7,413,829</u>	<u>7,413,829</u>
Exploration and evaluation incurred	715,313	449,646
Exploration costs expensed	<u>(715,313)</u>	<u>(449,646)</u>
	-	-

On 14 July 2021 the Company completed the acquisition of Australian United Silica Corporation Pty Ltd (Ausco), which owns the Muchea West Silica Sands Project, with the following transactions and changes:

- Issue of 200,000,010 shares and 50,000,003 options exercisable at \$0.06 each on or before 14 July 2026 to Ausco Shareholders and Optionholders (or nominees there-of) in consideration for acquisition of the Muchea West Silica Sands Project. The shares have been valued at a total of \$6,000,000 as disclosed in note 11. The options were valued at a total of \$950,000 as disclosed in note 20.
- Payments to related creditors of Ausco of \$500,000. These have been considered part of the purchase consideration for Ausco based on the nature of the transactions and the recognition of the liabilities being contingent on completion of the acquisition. None of these creditors were related parties of the Company before the acquisition or director related parties since the acquisition.
- Following completion, the Company 100% owns and controls Ausco which 100% owns and controls the Muchea West Silica Sands Project.

This acquisition was classified as an asset acquisition as disclosed in note 1(t).

The net purchase consideration for the Muchea West Silica Sand Project was valued at \$7,413,829 based on the following calculation.

	<b>14 July 2021</b>
	<b>\$</b>
Issue of 200,000,010 shares at a deemed value of \$0.03 per share as disclosed in note 11	6,000,000
Issue of 50,000,003 share options as disclosed in note 20	950,000
Payments to related creditors of Ausco	<u>500,000</u>
Total purchase consideration	<u>7,450,000</u>
Cash acquired on acquisition of Ausco	28,965
Plant acquired on acquisition of Ausco	6,203
GST receivable acquired on acquisition of Ausco	<u>1,003</u>
Total value of other assets acquired	<u>36,171</u>
Value ascribed to Muchea West Silica Sands Project on acquisition as the acquisition was from an unrelated party on arms' length terms	<u>7,413,829</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**9. FINANCIAL ASSETS**

**Current financial assets**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Value of 10,000,000 ordinary shares in Boss Energy Limited (Boss) at start of the year	-	880,000
Gain in value of 10,000,000 shares in Boss Energy Limited	-	-
Gain on sale of 10,000,000 shares in Boss Energy Limited	-	761,490
Proceeds on sale of 10,000,000 shares in Boss Energy Limited	-	(1,641,490)
Total current financial assets at fair value	-	-
<b>Non-current financial assets</b>		
Term deposit held as a security bond	50,000	50,000
Total non-current financial assets at fair value	50,000	50,000

At 31 December 2020 the Company held 10,000,000 shares in Boss Energy Limited (ASX: BOE) that were worth \$0.088 each for a total value of \$880,000. These shares were sold during 2021 for net proceeds of \$1,641,490. The net increase in value of these shares of \$761,490 in 2021 has been recognised in profit or loss.

These ordinary shares in Boss Energy Limited were acquired in 2018 after conversion of share options in Boss Resources Limited. The shares were Tier 1 financial assets because Boss shares are quoted on the ASX.

All term deposits have been valued based on quoted (unadjusted) market values and are therefore Tier 1 measured financial assets.

There have been no transfers between measurement levels during the year and there are currently no other assets in any other categories.

The Group's exposure to credit, equity market and interest rate risks related to financial assets is disclosed in note 19.

**10. TRADE AND OTHER PAYABLES - CURRENT**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade payables – unsecured	29,112	44,382
Other payables and accruals – unsecured	51,142	33,736
Accrued stamp duty payable for acquisition of Ausco	-	302,915
Total trade and other payables	80,254	381,033

Information about the Group's exposure to foreign exchange risk is provided in note 19.

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**11. ISSUED CAPITAL**

	2022		2021	
	No. of Shares	\$	No. of Shares	\$
<b>(a) Ordinary shares fully paid</b>				
Balance at beginning of year	479,771,962	39,922,037	199,746,729	31,121,482
9:10 share capital consolidation	-	-	(19,974,777)	-
Issue of shares in capital raising	-	-	100,000,000	3,000,000
Issue of shares in part consideration for the Ausco acquisition	-	-	200,000,010	6,000,000
Costs of capital raising	-	-	-	(199,445)
Balance at end of year	479,771,962	39,922,037	479,771,962	39,922,037

Fully paid ordinary shares entitle the holder to participate in dividends and to one vote per share.

**(b) Options**

Options granted during the year or prior year and on issue at balance date are as follows. No options were exercised or forfeited during the year or prior year.

Date and details of grant/exercise/forfeit	No. of Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (years)
Issued options opening balance	-	-	-
Consideration Options granted and issued 14 July 2021	50,000,003	\$0.06	4.5
Facilitation Options granted and issued 14 July 2021	25,000,000	\$0.06	4.5
Balance at 31 December 2021	75,000,003	\$0.06	4.5
Balance at 31 December 2022	75,000,003	\$0.06	3.5

Further details are disclosed in note 17(b).

**(c) Performance rights**

Performance rights granted during the year or prior year and on issue at balance date are as follows.

No performance rights were exercised or forfeited during the year or prior year, other than the 5,000,000 performance rights that ceased on 9 December 2022.

Date and details of grant/exercise/forfeit	No. of Performance rights	Weighted Average Exercise Price	Weighted Average Remaining contractual life (years)
Issued performance rights opening balance	-	-	-
Performance rights granted and issued 14 July 2021	10,000,000	-	4.5
Balance at 31 December 2021	10,000,000	-	4.5
Performance rights cancelled/ lapsed 9 December 2022	(5,000,000)	-	3.6
Balance at 31 December 2022	5,000,000	-	3.5

Further details are disclosed in note 17(c).

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**12. EARNINGS PER SHARE**

**(a) Basic earnings per share**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Basic (loss) per share (cents per share)	(0.31)	(0.56)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic (loss) per share	479,771,962	319,497,984
Net loss used in the calculation of basic (loss) per share	(1,488,095)	(1,774,865)

**(b) Diluted earnings per share**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Diluted (loss) per share (cents per share)	(0.31)	(0.56)
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted (loss) per share	479,771,962	319,497,984
Net (loss) used in the calculation of diluted (loss) per share	(1,488,095)	(1,774,865)

Due to the Group being in a loss position, options and performance rights are considered anti-dilutive and therefore earnings per share are not diluted by unexercised options or performance rights.

**13. AUDITOR'S REMUNERATION**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Remuneration as Auditor of the Company	36,418	28,951
Payment for auditing acquired subsidiary Ausco for the years ending 30 June 2019 and 30 June 2020, and review for the half year ended 31 December 2020	-	10,101
	<u>36,418</u>	<u>39,052</u>

**14. SEGMENT REPORTING**

The Board of Directors, which is the chief operating decision maker, has determined the operating segment based on geographical location. The Group has one reportable segment: mineral exploration and evaluation in Australia.

The Australian segment incorporates the Group's mineral exploration and evaluation in Australia along with head office and treasury functions. Consequently financial information for the sole operating segment is identical to the information presented in these financial reports.

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**15. RELATED PARTY TRANSACTIONS AND BALANCES**

Kingslane Pty Ltd and associated entities (Kingslane) is a shareholder in the Company and held under 5% of ordinary shares in the Company throughout the current and preceding years. Entities controlled by Kingslane received \$18,000 (2021: \$72,000) during the year for office rent.

Konkera Corporate received \$120,000 (2021: \$120,000) during the year for accounting and administrative services. Director fees of \$63,375 (2021: \$54,750) for Evan Cranston and nil (2021: \$21,000) for Mathew O'Hara were also paid to Konkera Corporate.

Kingslane and Konkera Corporate are related parties of Non-Executive Director, Evan Cranston.

All related party transactions are on normal arms' length terms.

**16. KEY MANAGEMENT PERSONNEL DISCLOSURES**

The following people have been designated as Key Management Personnel for the year:

- Mr Peter Main – Non-Executive Chairman (resigned 2 October 2022)
- Mr Peter Batten – Managing Director
- Mr Evan Cranston – Non-Executive Director
- Ms Oonagh Malone – Non-Executive Director (appointed 2 October 2022) and Company Secretary

**Remuneration by Category**

**Key Management Personnel**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Short-term	424,481	254,801
Post-employment	22,600	9,256
Share-based payment	-	228,000
	<u>447,081</u>	<u>492,057</u>

**Loans to Key Management Personnel**

There were no loans to Key Management Personnel during the year and no balance outstanding at year end.

**Other transactions and balances with Key Management Personnel**

There were no other transactions with Key Management Personnel, other than those disclosed in notes 15 and 17, and participation in the capital raising following approval by shareholders.

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**17. SHARED BASED PAYMENTS**

**(a) Employee Securities Incentive Plan**

On 31 May 2019, the Company received shareholder approval to establish the Employee Securities Incentive Plan (ESIP) under which the Company could issue equity securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company. Participation in the ESIP was at the discretion of the Board and no individual has or had a contractual right to participate in the plan or to receive any guaranteed benefits. The ESIP expired on 31 May 2022.

**(b) Share Options**

On 14 July 2021 the Company issued a total of 75,000,003 share options on the following terms:

- 50,000,003 Consideration Options issued to vendors of the Muchea West Silica Sands Project. These options vested immediately. The total value of these options has been included in the capitalised value of the Muchea West Silica Sands Project as disclosed in note 8.
- 25,000,000 Facilitation Options issued to Golden Triangle Capital Pty Ltd in consideration for services provided with the acquisition of Ausco. These options vested immediately. The total value of these options has been included in share based payment expense as disclosed in note 20.

The Consideration Options and Facilitation Options have the following details and parameters that were used for valuation with the Black Scholes option pricing model:

	<b>Consideration Options</b>	<b>Facilitation Options</b>
Number of options	50,000,003	25,000,000
Expiry date	14 July 2026	14 July 2026
Measurement and vesting date	14 July 2021	14 July 2021
Underlying share price	\$0.030	\$0.030
Exercise price	\$0.060	\$0.060
Expected volatility	100%	100%
Life of the options (years)	5.00	5.00
Expected dividends	Nil	Nil
Risk free interest rate	0.65%	0.65%
Value per option (\$)	0.019	0.019
<b>Value per Tranche (\$)</b>	<b>950,000</b>	<b>475,000</b>

No other options were on issue, issued, granted, lapsed or converted during 2022 or 2021. No amount (2021: \$475,000) has been expensed over the vesting period for options granted in previous years.

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**17. SHARED BASED PAYMENTS (continued)**

**(c) Performance Rights**

On 14 July 2021, 5,000,000 Director Performance Rights were issued to each of new directors Peter Main and Peter Batten, for a total of 10,000,000 Performance Rights issued with the following tranches and market based vesting conditions. They each received 1,000,000 of each of the below tranches.

The Performance Rights were to vest in five equal tranches, subject to meeting the applicable vesting condition relating to the volume weighted average price (VWAP) of fully paid ordinary shares in the Company.

Tranche No.	Performance Rights	Vesting condition
1	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.06
2	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.09
3	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.15
4	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.25
5	2,000,000	20-day VWAP of Shares is equal to or greater than \$0.35

The Director Performance Rights were valued using a barrier up-and-in trinomial option pricing model with the following details and parameters. The total value of the Director Performance Rights of \$228,000 was expensed at the grant date because the only vesting conditions were market based vesting conditions.

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Number of performance rights	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Expiry date	14 July 2026	14 July 2026	14 July 2026	14 July 2026	14 July 2026
Grant date	14 July 2021	14 July 2021	14 July 2021	14 July 2021	14 July 2021
Underlying share price	\$0.030	\$0.030	\$0.030	\$0.030	\$0.030
Exercise price	N/A	N/A	N/A	N/A	N/A
Barrier price (20-day VWAP)	\$0.060	\$0.090	\$0.150	\$0.250	\$0.350
Expected volatility	100%	100%	100%	100%	100%
Life of the performance rights (years)	5.00	5.00	5.00	5.00	5.00
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk free rate	0.65%	0.65%	0.65%	0.65%	0.65%
Value per performance right (\$)	0.027	0.026	0.023	0.020	0.018
<b>Value per Tranche (\$)</b>	<b>54,000</b>	<b>52,000</b>	<b>46,000</b>	<b>40,000</b>	<b>36,000</b>

No other performance rights were on issue, issued, granted, or converted during 2022 or 2021. No performance rights lapsed or ceased during 2022 or 2021 other than the 5,000,000 Performance Rights granted to Peter Main that ceased on 9 December 2022. There was no accounting adjustment following this cessation because these performance rights only had market based vesting conditions when granted. No amount (2021: \$228,000) has been expensed over the vesting period for performance rights granted in previous years.

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**18. RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH LOSS AFTER INCOME TAX**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(1,488,095)	(1,774,865)
Add:		
- Depreciation	3,107	3,941
- Loss on disposal of plant and equipment	3,744	10,986
- Share based payments expensed	-	703,000
Deduct:		
- Proceeds from sale of historic geological information	-	-
Fair value (increase) in financial assets	-	(761,490)
Changes in assets and liabilities during the year:		
Decrease/ (increase) in other current assets	391,628	(392,041)
Decrease/ (increase) in trade and other receivables	60,044	(62,436)
Increase in trade and other payables	3,417	357,122
Increase in provisions	17,928	7,832
Net cash used in operations	<u>(1,008,227)</u>	<u>(1,907,951)</u>

During 2021, the Company issued \$3,000,000 worth of shares and \$950,000 worth of share options as part of the purchase consideration for Ausco as disclosed in note 8. There were no other non-cash financing or investing activities during 2022 or 2021.

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**19. FINANCIAL INSTRUMENTS**

**Financial Risk Management**

The Group's principal financial instruments comprise cash, short-term deposits and trade creditors. During 2021, the Group held shares in a listed company that were sold during 2021.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and equity market risk. The Board of Directors reviews and agrees policies for managing each of these risks as summarised below.

**Financial Risk**

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, foreign exchange risk, equity market risk and credit risk.

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Financial Asset</b>		
Cash and cash equivalents	2,343,305	3,652,046
	2,343,305	3,652,046
<b>Other Current Financial Assets</b>		
Trade and other receivables	8,968	69,012
	8,968	69,012
<b>Non-Current Financial Assets</b>		
Financial assets at fair value	50,000	50,000
	50,000	50,000
<b>Financial Liabilities</b>		
Trade and other payables	80,254	381,033
	80,254	381,033

**Liquidity Risk and Liquidity Risk Management**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities or other fund raising initiatives.

The Group does not have major funding in place. However, the Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The Group has access to a credit card facility totalling \$50,000. The credit card facility may be drawn at any time and may be terminated by the bank without notice. At 31 December 2022, \$49,764 (2021: \$47,909) of this facility was available for use.

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**19. FINANCIAL INSTRUMENTS (continued)**

**Credit Risk**

Credit risk refers to the risk that counterparties will default on contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

Banks and Financial Institutions are chosen only if they are independently rated parties with a minimum rating of 'A'.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

**Interest Rate Risk**

Interest rate risk is managed with a mixture of fixed and floating rate debt. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

<b>2022</b>	<b>Weighted Average Interest Rate %</b>	<b>Floating Interest Rate \$</b>	<b>Fixed Interest Maturing in 1 Year or Less \$</b>	<b>Non-Interest Bearing \$</b>	<b>Total \$</b>
<b>Financial Assets</b>					
Cash and cash equivalents	2.51	834,079	1,500,000	9,226	2,343,305
Receivables	-	-	-	8,968	8,968
Non current financial assets at fair value	3.96	-	50,000	-	50,000
<b>Financial Liabilities</b>					
Payables	-	-	-	(80,254)	(80,254)
<b>Net Financial Assets</b>	<b>2.61</b>	<b>834,079</b>	<b>1,550,000</b>	<b>(62,060)</b>	<b>2,322,019</b>

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**19. FINANCIAL INSTRUMENTS (continued)**

<b>2021</b>	<b>Weighted Average Interest Rate %</b>	<b>Floating Interest Rate \$</b>	<b>Fixed Interest Maturing in 1 Year or Less \$</b>	<b>Non-Interest Bearing \$</b>	<b>Total \$</b>
<b>Financial Assets</b>					
Cash and cash equivalents	0.40	1,122,219	2,500,000	29,827	3,652,046
Receivables	-	-	-	69,012	69,012
Non current financial assets at fair value	0.10	-	50,000	-	50,000
<b>Financial Liabilities</b>					
Payables	-	-	-	(381,033)	(381,033)
<b>Net Financial Assets</b>	<b>0.43</b>	<b>1,122,219</b>	<b>2,550,000</b>	<b>(282,194)</b>	<b>3,390,025</b>

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk.

<b>2022</b>	<b>Carrying Amount \$</b>	<b>Profit \$</b>	<b>-1% Equity \$</b>	<b>Profit \$</b>	<b>1% Equity \$</b>
Cash and cash equivalents	2,343,305	(23,341)	(23,341)	23,341	23,341
Trade receivables	8,968	-	-	-	-
Non-current financial assets at fair value	50,000	(500)	(500)	500	500
Trade and other payables	(80,254)	-	-	-	-
<b>Total increase/(decrease)</b>	<b>2,322,019</b>	<b>(23,841)</b>	<b>(23,841)</b>	<b>23,841</b>	<b>23,841</b>

<b>2021</b>	<b>Carrying Amount \$</b>	<b>Profit \$</b>	<b>-1% Equity \$</b>	<b>Profit \$</b>	<b>1% Equity \$</b>
Cash and cash equivalents	3,652,046	(36,222)	(36,222)	36,222	36,222
Trade receivables	69,012	-	-	-	-
Current financial assets at fair value	-	-	-	-	-
Non-current financial assets at fair value	50,000	(500)	(500)	500	500
Trade and other payables	(381,033)	-	-	-	-
<b>Total increase/(decrease)</b>	<b>3,390,025</b>	<b>(36,722)</b>	<b>(36,722)</b>	<b>36,722</b>	<b>36,722</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. FINANCIAL INSTRUMENTS (continued)**

**Price Risk**

The Group was exposed to equity security price risk due to the 10,000,000 shares held in Boss Energy Limited (Boss) before these shares were sold during 2021 as disclosed in note 9. Equity security price risk is reflected in the \$761,490 gain on sale for these shares as disclosed in note 9.

The Group is not exposed to any other security price risk or commodity price risk.

**Fair value of financial instruments**

The following tables detail the Group's fair values of financial instruments categorised by the following levels:

Tier 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Tier 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Tier 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<b>2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Assets	-	-	-	-
Total assets	-	-	-	-
<hr/>				
<b>2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Assets	-	-	-	-
Total assets	-	-	-	-

There were no transfers between levels during 2022 or 2021.

**Fair Value Estimation**

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

**Unrecognised Financial Instruments**

The Group does not have any unrecognised financial instruments.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. FINANCIAL INSTRUMENTS (continued)**

**Foreign exchange risk**

The Group's only direct exposure to foreign exchange risk in 2022 and 2021 is limited to exposure to the currency fluctuations of United States Dollar (USD) denominated trade creditors. There were no foreign currency balances held at year end or at prior year end. Consequently, the Group had no exposure to foreign currency risk at the end of the reporting period or at the end of the prior year.

**Capital Management Risk**

Capital is defined as the wealth owned or employed in the Group. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares and sell its financial assets held at fair value.

**20. RESERVES**

**Share-Based Payment Reserve**

This reserve records the value of options and performance rights provided as payment for services received and assets acquired.

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Movements</b>		
Opening balance	4,601,558	2,948,558
Amounts recognised for expensed facilitation options as calculated in note 17(b)	-	475,000
Amounts recognised for expensed performance rights as calculated in note 17(c)	-	228,000
Amounts recognised for options issued as part of the purchase consideration for the Ausco acquisition as calculated in note 17(b)	-	950,000
Closing balance	4,601,558	4,601,558

The total amount expensed in 2021 of \$703,000 was recognised as a share based payment expense in 2021. The remaining \$950,000 was capitalised as acquisition costs of Ausco in 2021.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. COMMITMENTS AND CONTINGENCIES**

**Commitments**

The serviced office agreement did not create a lease because it does not specify or effectively enable fixed office locations.

	<b>CONSOLIDATED</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Serviced office commitment</b>		
Due within 1 year	-	36,000
Due greater than 1 year and less than 5	-	-
Total	-	36,000

The administrative services agreement creates the following commitment:

<b>Administrative services commitment</b>		
Due within 1 year	120,000	120,000
Due greater than 1 year and less than 5	7,233	66,740
Total	127,233	186,740

The executive service agreement creates the following commitment:

<b>Executive services commitment</b>		
Due within 1 year	66,300	55,000
Due greater than 1 year and less than 5	-	-
Total	66,300	55,000

**Contingent liability**

The Group has royalties payable of \$0.75 per tonne of silica, other sand or minerals extracted from the Muecha West Silica Sands Project.

Access by the Group to parts of the Muecha West Silica Sands Project that encroach upon the Muecha Air Weapons Range is permitted pursuant to an Access Deed with the Commonwealth of Australia, Department of Defence. This Access Deed may be terminated by the Commonwealth for a variety of reasons. The Company is not aware of any specific reason for the Department of Defence to terminate the Access Deed.

The Group has no other contingent liabilities.

**22. SUBSEQUENT EVENTS**

There were no other events subsequent to the end of the financial year ended 31 December 2022 which significantly affected or could significantly affect the operations of the Company in future financial years.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**23. CONTROLLED ENTITIES**

Set out below is the Group's subsidiary at 31 December 2022. The subsidiary listed below had share capital consisting solely of ordinary shares, that were fully held directly by the Company. The subsidiary's country of incorporation or registration was also its principal place of business.

	Country of Incorporation	Percentage Owned (%)	
		2022	2021
Subsidiaries of Carbine Resources Limited:			
Australian United Silica Corporation Pty Ltd ("Ausco")	Australia	100	100

On 14 July 2021 the Company completed the acquisition of Australian United Silica Corporation Pty Ltd ("Ausco"), which owns the Muchea West Silica Sands Project as disclosed in note 8.

**24. PARENT ENTITY INFORMATION**

The following detailed information is for the parent entity, Carbine Resources Limited at 31 December 2022. The information presented here has been prepared using consistent accounting policies as discussed in note 1.

	PARENT	
	2022	2021
	\$	\$
Current assets	2,362,465	3,672,429
Non-current assets	7,501,423	7,509,864
<b>Total assets</b>	<b>9,863,888</b>	<b>11,182,293</b>
Current liabilities	69,095	381,691
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>69,095</b>	<b>381,691</b>
Contributed equity	39,922,037	39,922,037
Accumulated losses	(34,728,802)	(33,722,993)
Share based payment reserve	4,601,558	4,601,558
<b>Total equity</b>	<b>9,794,793</b>	<b>10,800,602</b>
Loss for the year	(1,005,809)	(2,190,581)
Other comprehensive income for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(1,005,809)</b>	<b>(2,190,581)</b>

Non-current assets included a \$7,450,000 investment in subsidiary (2021: \$7,450,000) and a fully impaired \$946,754 loan to subsidiary Ausco (2021: \$664,588).

**Guarantees**

There are no guarantees entered into by the parent entity in the financial year ended 31 December 2022 in relation to the debt of a subsidiary.

**Contingent liabilities**

There are no contingent liabilities of the Company or the Group other than as detailed in note 21.

**DIRECTORS' DECLARATION**

The Directors of Carbine Resources Limited declare that:

1. The consolidated financial statements comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and the accompanying notes, are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the financial position as at 31 December 2022 and of the performance for the year ended on that date of the Group.
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations as required by section 295A.

Signed in accordance with a resolution of the Directors.



**Mr Evan Cranston**  
Non-Executive Director

Dated at Perth this 30<sup>th</sup> day of March, 2023

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PO Box 1908  
West Perth WA 6872  
Australia

Level 2, 40 Kings Park Road  
West Perth WA 6005  
Australia

Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204

ABN: 84 144 581 519  
www.stantons.com.au

30 March 2023

Board of Directors  
Carbine Resources Limited  
Suite 23, 513 Hay Street  
SUBIACO WA 6008

Dear Directors

**RE: CARBINE RESOURCES LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Carbine Resources Limited.

As the Audit Director for the audit of the financial statements of Carbine Resources Limited for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**

A handwritten signature in blue ink that reads "Martin Michalik".

**Martin Michalik**  
Director

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARBINE RESOURCES LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Carbine Resources Limited ("the Company") and its subsidiary ("Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

We have defined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**Key Audit Matters****How the matter was addressed in the audit*****Carrying Value of Exploration and Evaluation Expenditure***

As disclosed in Note 8 to the consolidated financial statements, the carrying value of the exploration and evaluation expenditure as at 31 December 2022 was \$7,413,823.

We have identified the carrying value of exploration and evaluation expenditure as a key audit matter due to:

- The significance of the expenditure capitalised representing 75% of total assets;
- The necessity to assess management's application of the requirements of the accounting standard *Exploration for and Evaluation of Mineral Resources* ("AASB 6"), in light of any indicators of impairment that may be present; and
- The assessment of significant judgements made by management in relation to the capitalised exploration and evaluation expenditure.

Inter alia, our audit procedures included the following:

- i. Assessed the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation;
- ii. Reviewed the directors' assessment of the carrying value of the capitalised exploration and evaluation costs, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators, commodity prices and the stage of the Group's projects also against AASB 6;
- iii. Evaluated the Group documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included:
  - Minutes of the board and management; and
  - Announcements made by the Group to the Australian Securities Exchange; and
- iv. Evaluated the adequacy of disclosures in the consolidated financial statements in accordance with the relevant accounting standards.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical

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requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the Remuneration Report**

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 6 to 13 of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Carbine Resources Limited for the year ended 31 December 2022 complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### **STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD (An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*

A handwritten signature in blue ink that reads "Martin Michalik".

**Martin Michalik**  
Director

West Perth, Western Australia  
30 March 2023

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## CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition).

Unless disclosed below, all the principles and recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 31 December 2022 (reporting period).

### Board Composition

The skills, experience and expertise relevant to the position of each Director in office for the year and their term of office are detailed in the Directors' report.

When determining the independent status of a Director, the Board used the Guidelines detailed in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and has identified a director's independence in the Directors' Report.

### Diversity Policy

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people.

Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

1. recruit and manage on the basis of an individual's competence, qualification and performance;
2. create a culture that embraces diversity and that rewards people to act in accordance with this policy;
3. appreciate and respect the unique aspects that individual brings to the workplace;
4. foster an inclusive and supportive culture to enable people to develop to their full potential;
5. identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
6. take action to prevent and stop discrimination, bullying and harassment; and
7. recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

## Compliance with ASX Recommendations

Recommendation	Current Practice
<p>1.1 A listed entity should have and disclose a board charter setting out:</p> <p>(a) The respective roles and responsibilities of its board and management; and</p> <p>(b) Those matters expressly reserved to the board and those delegated to management.</p>	<p>The Company's Board Charter sets out the roles and responsibilities of the Board and Management. It is available for review at <a href="http://www.carbineresources.com.au">www.carbineresources.com.au</a></p>
<p>1.2 A listed entity should:</p> <p>(a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>The Company has implemented a policy of undertaking police and bankruptcy checks on all senior employees and directors before appointment or putting to shareholders for election.</p> <p>The Company provides all relevant information on all directors in its annual report and in the relevant notice of meeting when seeking election or re-election of a director.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their employment.</p>	<p>The Company requires that a detailed letter of appointment or employment contract is agreed with each director and employee.</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Company's organisation chart reflects the position of the Company Secretary within the Company structure in compliance with the recommendation. During the reporting period, the Company Secretary was also appointed as a Non-Executive Director following the resignation of Peter Main in October 2022 and remains accountable to the board.</p>
<p>1.5 A listed entity should:</p> <p>(a) Have and disclose a diversity policy;</p> <p>(b) Through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) Disclose in relation to each reporting period:</p> <ol style="list-style-type: none"> <li>1) the measurable objectives set for that period to achieve gender diversity;</li> <li>2) the entity's progress towards achieving those objectives; and</li> <li>3) either:             <ol style="list-style-type: none"> <li>A. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</li> </ol> </li> </ol>	<p>The Company has adopted a formal Gender Diversity Policy, a summary of which is provided above.</p> <p>Given the current status of the Company, the Company has not set measurable objectives for diversity.</p> <p>As at 31 December 2022:</p> <ul style="list-style-type: none"> <li>• The Board comprised three members, two of whom were male and one female.</li> <li>• The senior executives comprised three people (defined by the Board as the directors and other key management personnel), two of whom were male and one female.</li> <li>• The whole organisation comprised three people, two of whom were male and one female.</li> </ul>

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	<p>B. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>
<p>1.6 A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) Disclose for each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Board Performance Evaluation Policy is available at <a href="http://www.carbineresources.com.au">www.carbineresources.com.au</a></p> <p>The Company confirms that performance evaluations during the reporting period were undertaken.</p>
<p>1.7 A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Company confirms that performance evaluations during the reporting period were undertaken.</p>
<p>2.1 The board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director; and disclose:</li> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or</li> </ol> <p>(b) If it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Board considers that given the current size of the Board and the Company, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a nomination committee.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Since recompliance, the Board is comprised of directors with a strong background in geological and mining experience, corporate and commercial expertise and company administration which is appropriate for the current status of the</p>

		Company. As the Company develops it will continue to evaluate the skills and diversity required for the Board and develop a matrix reflecting this to enable recruitment accordingly.
2.3	<p>A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) The length of service of each director.</p>	<p>The independent directors of the Company are Evan Cranston and Oonagh Malone. Peter Batten, by virtue of his executive role, is not considered to be independent.</p> <p>The length of service of each director is noted in the Director’s Report.</p>
2.4	A majority of the board of a listed entity should be independent directors.	The Company complies with this recommendation with 2 of the 3 directors considered to be independent.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Evan Cranston acts as the interim Chair following the resignation of Peter Main in October 2022. He is an independent director and does not act in the role of CEO.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively.	<p>The Company has an induction program for all new directors to appropriately familiarise them with the policies and procedures of the Company.</p> <p>The Company encourages and facilitates all Directors to develop their skills, including with the provision of in-house seminars to maintain compliance in areas such as risk and disclosure.</p>
3.1	A listed entity should articulate and disclose its values.	<p>The Company is committed to doing business based on its values of integrity, honesty and accountability.</p> <p>The Board has adopted a Code of Conduct, Securities Trading Policy, Social Media Policy, Whistleblower Policy, Continuous Disclosure Policy and Shareholder Communication Policy which detail frameworks for acceptable corporate behaviour.</p>
3.2	<p>A listed entity should:</p> <p>(a) Have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>The Company’s Code of Conduct is available at <a href="http://www.carbineresources.com.au">www.carbineresources.com.au</a></p> <p>It is a requirement of the Board that it is informed of any material breaches, none of which occurred during the reporting period.</p>
3.3	A listed entity should:	The Company’s Whistleblower Policy is available at <a href="http://www.carbineresources.com.au">www.carbineresources.com.au</a> .

<p>(a) Have and disclose a whistleblower policy; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>It is a requirement of the Board that it is informed of any material incidents, none of which occurred during the reporting period.</p>
<p>3.4 A listed entity should:</p> <p>(a) Have and disclose a an anti-bribery and corruption policy; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	<p>The Company has an Anti-bribery and Corruption Policy which is available on the Company's website.</p>
<p>4.1 The board of a listed entity should:</p> <p>(a) Have an audit committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director, who is not the chair of the board;</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3) the charter of the committee;</li> <li>4) the relevant qualifications and experience of the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or</li> </ol> <p>(b) If it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Company does not have an audit committee due the current size of the Board and Company. The Company has adopted a policy whereby the full Board fulfils the duties of the audit committee and abides by the adopted Audit Committee Charter (available at <a href="http://www.carbineresources.com.au">www.carbineresources.com.au</a>).</p> <p>The Directors require that reports regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p> <p>The Board has adopted a formal policy regarding the appointment, removal and rotation of the Company's external auditor and audit partner.</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.</p>	<p>The Board receives a section 295A declaration from the equivalent of the CEO and CFO for each quarterly, half yearly and full year report in advance of approval of these reports.</p>

4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	As well as receiving monthly management accounts, the Board receives a section 295A declaration from the equivalent of the CEO and CFO for each quarterly in advance of approval of these reports.
5.1	A listed entity should have a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	The Board has adopted a formal Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules. The Policy is available at <a href="http://www.carbineresources.com.au">www.carbineresources.com.au</a> .
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Board approves all material market announcements made by the Company prior to release to the ASX and is notified once release has occurred.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	The Company complies with this recommendation.
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company complies with this recommendation and all relevant information can be found at <a href="http://www.carbineresources.com.au">www.carbineresources.com.au</a> .
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has developed a Shareholder Communications Strategy to ensure all relevant information is identified and reported accordingly.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes by lodgement of a proxy form. The Company has implemented an online voting system to further encourage participation by shareholders.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by poll rather than by a show of hands.	The Company puts all resolutions that are subject to the Listing Rules to a poll. Further the Chair has regard for the results of the proxy voting when deciding if a non-Listing Rule resolution should be put to a poll instead of by show of hands.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company and its share registry actively encourage electronic communication. All new shareholders are issued with a letter encouraging the registration of electronic contact methods.
7.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director;</li> </ul> </li> </ul>	<p>The Company does not have a risk committee due to the current size of the Board and Company. The Company has adopted a policy whereby the full Board, including Executive Directors, fulfil the duties of the risk committee and abides by the adopted Risk Management Policy (available on the Company's website).</p> <p>The Directors require that management report regularly on all financial and commercial aspects</p>

<p>and disclose:</p> <ol style="list-style-type: none"> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: or</li> </ol> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p>
<p>7.2 The board or a committee of the board should:</p> <ol style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ol>	<p>The Board reviews its risk management strategy annually and considers it to be sound.</p>
<p>7.3 A listed entity should disclose:</p> <ol style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ol>	<p>The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the regular and consistent reporting in all risk areas.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Company does not currently have any material exposure to any economic, environmental and social sustainability risks.</p>
<p>8.1 The board of a listed entity should:</p> <ol style="list-style-type: none"> <li>(a) have a remuneration committee which:             <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director;</li> </ol>             and disclose:             <ol style="list-style-type: none"> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> </li> </ol>	<p>The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a remuneration committee.</p> <p>The Board considers industry peers when evaluating the remuneration for all directors and executives. The Board is cognisant of the fact that it wishes to attract and retain the best people, and considers strategies other than monetary to balance the need for the best people and the financial position of the Company.</p>

	(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	
8.2	A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The Company discloses its policies on remuneration in the Remuneration Report set out in its annual report.
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company recognises that Directors, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy (available at the Company's website, <a href="http://www.carbineresources.com.au">www.carbineresources.com.au</a>) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.</p>

## ADDITIONAL INFORMATION

The following information is based on share registry information processed up to and including 20 April 2023.

### Distribution of Fully Paid Ordinary Shares

The number of holders, by size of holding, for fully paid ordinary shares in the Company is:

Holding Range	Number of Holders	Total Units	% Issued Share Capital
1 – 1,000	49	8,038	0.00%
1,001 – 5,000	96	291,348	0.06%
5,001 – 10,000	113	886,755	0.18%
10,001 – 100,000	542	24,755,976	5.16%
100,001 and over	317	453,829,845	94.59%
<b>Total</b>	<b>1,117</b>	<b>479,771,962</b>	<b>100.00%</b>

There are 583 holders of unmarketable parcels comprising a total of 9,425,354 ordinary shares.

Carbine Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares. The Company is listed on the Australian Securities Exchange under the code CRB. The home exchange is Perth.

There are 315,275,535 ordinary fully paid shares currently listed and trading on the Australian Securities Exchange. There are 164,496,427 shares not quoted on the Australian Securities Exchange that are subject to escrow until 22 July 2023.

There is no current on-market buy-back.

### Voting Rights – Fully Paid Ordinary Shares

Every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid share.

### Substantial Shareholders

Shareholder	Number Held	% of Issued Shares
WENDY CAROLYN COOMBE HOGAN	50,000,000	10.42%
SIVAGAMI SELVAKUMAR	26,666,667	5.56%

## Twenty Largest Holders of Quoted Shares

	Shareholder	Number Held	% of Issued Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,030,395	4.77%
2	GR ENGINEERING SERVICES LIMITED	14,298,053	4.54%
3	ICERIG NOMINEES PTY LTD	10,000,000	3.17%
4	BOND STREET CUSTODIANS LIMITED <TRYLAN - D83486 A/C>	9,722,459	3.08%
5	MR GRAEME JOHN CLATWORTHY <CLATWORTHY FAMILY NO 1 A/C>	7,562,918	2.40%
6	BONNEVILLE INVESTMENTS PTY LTD ATF BONNEVILLE INVESTMENTS TR	6,000,000	1.90%
7	TIRUMI PTY LTD <TIRUMI SUPER FUND A/C>	5,787,231	1.84%
8	KOBIA HOLDINGS PTY LTD	5,451,667	1.73%
9	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN <SUPERANNUATION ACCOUNT>	4,776,963	1.52%
10	MR DAVID KEITH EDWARDS & MRS ROBERTA MAY EDWARDS <EDWARDS SUPER FUND A/C>	4,506,219	1.43%
11	MR BRADLEY KEITH MOIR	4,500,000	1.43%
12	KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	4,486,608	1.42%
13	ALLORA EQUITIES PTY LTD < C & E RETIREMENT FUND A/C>	4,326,788	1.37%
14	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN <MJ BAHEN SUPER FUND A/C>	4,000,000	1.27%
15	CAPERI PTY LTD <CAPERI A/C>	4,000,000	1.27%
16	KONKERA PTY LTD <KONKERA SUPER FUND A/C>	4,000,000	1.27%
17	LAST CHANCE SUPERANNUATION PTY LTD <DJR SUPER FUND A/C>	3,680,000	1.17%
18	THOMAS FREDERICK WHITING	3,561,616	1.13%
19	OCEAN VIEW WA PTY LTD	3,500,000	1.11%
20	NERO RESOURCE FUND PTY LTD <NERO RESOURCE FUND A/C>	3,459,270	1.10%
	<b>Total</b>	<b>122,650,187</b>	<b>38.90%</b>

## Unquoted Equity Securities

Quantity	Class	Number of Holders
164,496,427	Ordinary shares escrowed until 22 July 2023	13
71,666,669	Options exercisable at \$0.06 each on or before 14 July 2026 escrowed until 22 July 2023	6
3,333,334	Options exercisable at \$0.06 each on or before 14 July 2026 escrowed until 14 July 2022	1
1,000,000	Performance rights vesting on 5 day VWAP of \$0.06 escrowed until 22 July 2023	1
1,000,000	Performance rights vesting on 5 day VWAP of \$0.09 escrowed until 22 July 2023	1
1,000,000	Performance rights vesting on 5 day VWAP of \$0.15 escrowed until 22 July 2023	1
1,000,000	Performance rights vesting on 5 day VWAP of \$0.25 escrowed until 22 July 2023	1
1,000,000	Performance rights vesting on 5 day VWAP of \$0.35 escrowed until 22 July 2023	1

## Holdings of Unquoted Securities Holding More than 20% of Each Class

Class	Holder	Number
Ordinary shares escrowed until 22 July 2023	WENDY CAROLYN COOMBE HOGAN	49,866,667
Options exercisable at \$0.06 each on or before 14 July 2026 escrowed until 22 July 2023	GOLDEN TRIANGLE CAPITAL P/L <GT3 A/C>	25,000,000
Options exercisable at \$0.06 each on or before 14 July 2026 escrowed until 14 July 2022	YAFCO PTY LTD <3 BEARS SUPER FUND NO 1 A/C>	3,333,334
Performance rights vesting on 5 day VWAP of \$0.06 escrowed until 22 July 2023	MR PETER JOHN ROBERT BATTEN	1,000,000
Performance rights vesting on 5 day VWAP of \$0.09 escrowed until 22 July 2023	MR PETER JOHN ROBERT BATTEN	1,000,000
Performance rights vesting on 5 day VWAP of \$0.15 escrowed until 22 July 2023	MR PETER JOHN ROBERT BATTEN	1,000,000
Performance rights vesting on 5 day VWAP of \$0.25 escrowed until 22 July 2023	MR PETER JOHN ROBERT BATTEN	1,000,000
Performance rights vesting on 5 day VWAP of \$0.35 escrowed until 22 July 2023	MR PETER JOHN ROBERT BATTEN	1,000,000

## Schedule of Mining Tenements

Project	Licence Number	Location	Interest
Muchea West Silica Sands Project	E70/4905	Western Australia	100%

**Company Secretary**

Ms Oonagh Malone

**Registered Office**

Suite 23

513 Hay Street

Subiaco WA 6008

Telephone: (08) 6142 0986

**Share Registry**

Automatic Registry Services

Level 5, 191 St Georges Terrace

Perth WA 6000

Telephone: 1300 288 664

**Compliance with Listing Rule 11.1.3**

The Company confirms that the cash and assets in a form readily convertible to cash that it had at the time of re-admission have been used in a way consistent with its business objectives as stated in the prospectus lodged with the ASX on 29 April 2021.

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For

Registered Office  
Suite 23  
513 Hay Street  
Subiaco WA 6008

PO Box 1311  
Subiaco WA 6904

T: (08) 6142 0986  
E: [admin@carbineresources.com.au](mailto:admin@carbineresources.com.au)

